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30 June 1982

## LATIN AMERICA REPORT

No. 2530

## CONTENTS

## ENERGY ECONOMICS

## MEXICO

Petrochemicals Price Increases Announced (Antonio Garza M.; EXCELSIOR, 27 May 82) .....	1
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## COUNTRY SECTION

## INTER-AMERICAN AFFAIRS

Briefs	
Cuban Donation to Nicaragua .....	3

ERRATUM: In JPRS 80142 of 14 June 1982, No 2521 of this series, the first three articles under the general headline "Function of Liaison Office Disputed" on pages 3-6, should have been carried under the country indicator PANAMA rather than INTER-AMERICAN AFFAIRS. The last article in the series, subtitled "Report on Spadafora Whereabouts," should not have been grouped with the other three and did belong in the INTER-AMERICAN AFFAIRS section.

## ARGENTINA

Daily Assesses Implications of Soviet Aid (Vicente G. Masso; LA PRENSA, 17 Jun 82) .....	4
Press Reaction to Falklands Outcome (Editorial Report) .....	6
Briefs	
CGT Premises .....	10

## BOLIVIA

National Sugar Commission Debates Situation (ULTIMA HORA, 11 May 82) .....	11
Cooperative System Proposed for Better Price Policy (Prudencio Penaranda Espejo; PRESENCIA, 20 Apr 82) .....	12
Farmers Fault Minister's Insensitivity for Their Problems (PRESENCIA, 13 May 82) .....	15
Briefs	
Milk Shipment Returned	16
Loan From Japan	16
1981 Import Figures	17

## BRAZIL

Delfim Netto Speaks on Tax Reforms, New Social Fund (JORNAL DO BRASIL, 30 May, 3 Jun 82) .....	18
Minister Netto Interviewed FINSOCIAL To Last Forever	
Downward Revision of Export Forecasts Made by CACEX (O ESTADO DE SAO PAULO, 4 Jun 82).....	26
Luis Carlos Prestes Faces Expulsion From Communist Party (JORNAL DO BRASIL, 4 Jun 82).....	28
PMDB Leader in Chamber of Deputies Attacks Workers Party (Odacyr Klein Interview; CORREIO BRAZILIENSE, 30 May 82)	30
Briefs	
Exports to PRC	34
Sophisticated Base Proposal	34

## COSTA RICA

IDA's New President Discusses Debts, Plans (LA NACION, 12 Apr 82) .....	35
RECOPE's Lara Eduarte Comments on Deficit, Drillings (LA NACION, 24 Apr 82) .....	38
Businessmen Term Editorials 'Unfair' to Private Sector (LA NACION, 25 Apr 82) .....	40
Station Condemns 'Shameful' Argentine Defeat (San Jose Radio Reloj, 16 Jun 82) .....	42



Poll Reveals 9.2 Percent Unemployment Rate (LA NACION, 25 Apr 82) .....	43
CUBA	
Communist Leader on Situation in Uruguay (Ofelia Hernandez Interview; Havana International Service, 18 Jun 82) .....	45
Castro Attends Local Government Organs Meeting (Havana Domestic Service, 18 Jun 82) .....	47
Briefs	
Rains Damage Railroads, Airport	49
Support of PLO, Lebanon	49
Credentials Presented to Pope	49
DOMINICAN REPUBLIC	
Briefs	
Electoral Board Explosion	50
HONDURAS	
Briefs	
UNC's Support for Government	51
MEXICO	
Speech by Ambassador to U.S. in San Diego Draws Fire (EL DIA, 27 May 82) .....	52
PPS, PSUM Reject Statement, by Jose Luis Camacho 'Ambassador Has Sinned', by Jose de Villa	
Briefs	
Comment on Naval Strength	56
Chichonal: Shortage of Medical Care	56
Trade Balance With Canada	57
NICARAGUA	
D'Escoto Addresses UN Security Council Session (Managua Domestic Service, 17 Jun 82, Managua Radio Sandino, 17 Jun 82) .....	
Arms Buildup Denied	
More on D'Escoto Address	
Tirado Marks Batahola Massacre Anniversary (Managua Radio Sandino Network, 16 Jun 82) .....	61

Robelo's Actions Termed 'Pseudodemocratic Comedy'  
(Managua Radio Sandino Network, 17 Jun 82)..... 62

Envoy Stresses Willingness To Negotiate With U.S.  
(Managua Radio Sandino, 17 Jun 82) ..... 63

Briefs  
Foreign Debt Payment 65  
Flood Relief Donations 65

#### PANAMA

Criticism of President Royo's UN Speech  
(Mario J. De Obaldia; LA PRENSA, 15 Jun 82) ..... 66

Manfredo on Canal Liaison Office Functions  
(Fernando Manfredo Interview; Panama City Televisora  
Nacional, 15 Jun 82) ..... 67

#### URUGUAY

CP's Arismendi Speaks to Italian Newsmen  
(Guido Vicario; L'UNITA, 10 Jun 82) ..... 68

## PETROCHEMICALS PRICE INCREASES ANNOUNCED

Mexico City EXCELSIOR in Spanish 27 May 82 pp 5-A, 29-A

[Article by Antonio Garza M.]

[Text] Last night Mexican Petroleum [PEMEX] announced increases in the prices of natural gas for industrial (not domestic) use, of heavy, light, and medium-weight fuel oil, and of petrochemicals; they will take effect on 1 June.

Natural gas for industry was priced at 0.577 pesos per cubic meter, and its new price will be 0.893 pesos. Beginning on 1 July, there will also be cumulative increases of 5 percent per month.

As for heavy fuel oil, the price was 577 pesos per cubic meter; light oil was 670 pesos, and medium was 893 pesos. The new prices will be, respectively, 605.85 pesos, 703.50 pesos, and 937.65 pesos.

The increases in prices of petrochemicals are as follows:

Acetaldehyde: from 10,600 to 14,840 pesos; cyanohydric acid: from 6,000 to 9,000; acrylonitrile: from 16,100 to 26,000; heavy alkylaryl: from 6,881 to 10,000; anhydrous ammonia: from 1,720 to 2,240; carbonic anhydride: from 140 to 182; aromine 100: from 6,000 to 12,000; aromine 150: from 10,000 to 15,000; sulfur: from 500 to 1,370; benzene: from 9,000 to 15,370; butadiene: from 14,400 to 24,000; cyclohexane: from 10,250 to 16,400; vinyl chloride: from 10,200 to 14,000.

Other increases: cumene: from 16,650 to 25,000 pesos; dichloroethane: from 3,3660 to 5,600; dodecylbenzene: from 6,850 to 15,000; styrene: from 16,500 to 24,750; heptane: from 4,800 to 7,680; hexane: from 4,800 to 7,680; isopropanol: from 10,950 to 18,000; P-N smoke raw material: from 650 to 1,000; methanol: from 4,200 to 6,720; orthoxylene: from 9,000 to 14,000; and ethylene oxide: from 15,300 to 21,420.

Other products whose prices will be increased are: paraxylene: from 14,410 to 20,180; tetrachlorethylene: from 11,510 to 17,270; H. D. polyethylene: from 20,000 to 32,000; L. D. polyethylene: from 20,000 to 30,100; ammonium sulfate: from 90 to 500; tetramers: from 3,000 to 5,000; toluene: from 7,800 to 12,480; and xylene: from 8,640 to 13,820.

All prices are in Mexican pesos and are charged per ton; they have been authorized by the Secretariat of Commerce.

#### PEMEX Austerity Plan

Mexican Petroleum announced the austerity plan it will follow in 1982. It includes administrative changes, personnel changes, appropriate purchasing, strict adherence to budgets, and total control of expenditures to prevent their being excessive in any area.

At the same time, it was stated that PEMEX will continue construction of works, and projects will not be halted, although work will progress more slowly in response to budget cuts. This is also true of the tower under construction on Marina Nacional, which will be 52 stories high.

One of the first measures adopted was creation of the Budget Coordination Committee, headed by Julio Rodolfo Moctezuma Cid. The committee is to oversee the carrying out of administrative, budgetary, and financial policies as well as monitoring and assessment of activities of departments involved.

The committee will furnish each department a program and schedule of expenditures for this year to prevent spending beyond authorized limits. During this year, requests for additional funds will not be honored, nor will money be advanced against future allocations.

Concerning management of human resources, different measures were adopted: Reduction of hiring of personnel to limits making possible suitable completion of programs; review of the situation of temporary employees; and overtime will be paid only in high-priority jobs related to authorized programs.

Moctezuma Cid made all PEMEX department heads responsible for adhering to the budget changes.

It was stated that purchase orders shall be approved by the Purchasing Committee. The orders will not be funded if they are not authorized by the recently created committee.

Such departments as the Planning Office and the Finance Office will monitor programs and budgets as well as assessment of programs and costs.

9085

CSO: 3010/1668

## BRIEFS

CUBAN DONATION TO NICARAGUA--Cuba has given Nicaragua 1,800 tons of cement for the immediate reconstruction of highways and bridges destroyed by the floods, especially in the western part of the country, where important bridges were destroyed. Armando Galguera and Mario Oliva, Cuban vice ministers of construction, delivered the cement to Miguel Ernesto Vigil, Nicaraguan minister of housing and human settlements. The shipment was unloaded yesterday from the ship Cienfuegos. The delivery took place at the Port of Corinto, where Minister Vigil said that the Cuban contribution to our reconstruction is evidence of the solidarity expressed by that fraternal people, who have always stood next to the Nicaraguan people. The donation is part of an aid package promised by Gen Raul Castro, minister of the revolutionary armed forces and first vice president of the Cuban Council of State, who visited Nicaragua last week to learn about the damages caused by last month's floods, which caused losses estimated at \$200 million. [Text] [PA162349 Managua Domestic Service in Spanish 0300 GMT 16 Jun 82]

CSO: 3010/1717

## DAILY ASSESSES IMPLICATIONS OF SOVIET AID

PY200431 Buenos Aires LA PRENSA in Spanish 17 Jun 82 p 12

[Commentary by Vicente G. Masso: "The Pros and Cons of Soviet Aid"]

[Text] One of the issues which raised the greatest controversy in Argentina during the last few months was the possibility of requesting or accepting Soviet aid to compensate, however relatively, for Great Britain's military power, dependent as its strategy was on the United States. The issue undoubtedly had and still has--in the postwar period--an importance which none can deny. It is true that many, confronted by consequences they consider inevitable, treat the issue gingerly, trying to rationalize its importance or simply trying to deal with it with a couple of trivial phrases. However, it is also true that many others, aware of the present situation, have embarked upon a debate that would have been unthinkable ten years ago.

Those who have opposed the idea have put forth two arguments of different nature and importance. On the one hand, it has been said that Marxism is our foremost enemy--thereby confusing specific and transitory political aspects with universal and necessary aspects of philosophy. As a matter of mere curiosity and before beginning to analyze this position, it should be pointed out that the issue is in some way presented in terms of friend-enemy dialectics, which according to Schmitt is the essence of politics; with the difference that the enemy distinguished by ideologies and not interests.

Opening the door to the possibility of an understanding or alliance with the Soviet Union does not entail embracing Marxism-Leninism. Russia as an empire does not necessarily claim and export socialism in the implementation of its foreign policy. At least it does not do so on every case, as is clearly shown in the case of Nasser or of Argentina itself. In effect, and even though it may seem hyperbolic, there are in fact bilateral relations with the Soviet Union which allow us to uphold the premise that Kremlin's marshalls are not so much interested in ideological rules as they are in geopolitical factors. If this were not so, then why is the Soviet Union helping us in a field so strategic as the nuclear plan? To fill the void left by the United States? Undoubtedly so, but not to impose upon us a materialistic dogma as some fear.

On the other hand, there is a second argument which is not undermined by the confusion we have pointed out, but does warn to the danger of becoming a subject to the dictates of the Soviet Union in the long run. In any case, what is alleged here is not so much the possibility of having a collectivist and atheist solution imposed upon us, but that Soviet conditions in geo-strategic or geopolitical terms will diminish our sovereignty. Concretely, some analysts ask themselves what would happen if the Russians demand a base on the Malvinas Islands in return for their aid, in keeping with a pragmatism in which power and not "capital" has the upper hand?

From every point of view, this argument has a validity which the first one lacks. In 1982, nobody in his right mind has the right to confuse interests with ideologies in anything concerning foreign policy. At the same time, nobody can presume, out of hate, irrationality or impotence arising from what is considered treason by the West, that the Soviet Union is going to be magnanimous and unselfish when it states its price.

It is very clear that the issue would be presented in these terms, and that it is senseless to claim loyalty to the West or to the nation's history in order to refuse dialogue with Russia. After many years and for reasons of convenience, Argentine-Soviet relations have reached a level and an importance difficult to ignore. Those who persist in their opposition do so without thinking of the consequences which Argentina might have to bear if a good part of its harvest were not destined for Moscow, and if the capability shown by the National Atomic Energy Commission [CNEA] was not appreciated by the Soviet Union.

However, things have now gone beyond trade and even beyond heavy water. Until a few days ago, we sought to determine whether or not it would be advantageous to talk with the Soviet Union about substantial military aid. In the future, faced with a possible arms embargo by Western nations, we will try to find out if we are willing to begin talks aimed at reducing enormous deficits in other fields. It is impossible to judge in advance whether the conditions which may be imposed upon us will be tolerable. First, we must sit at the table and negotiate in concrete terms; otherwise we will never know if the dangers mentioned earlier are real.

During the South Atlantic war, there did not seem to be a definite willingness on the part of our government to deal with this issue in the specific and intelligent manner necessary. What will happen after the conflict? If we do not dare take the first step, we will never know whether or not it would have been worthwhile trying.

CSO: 3010/1715

## PRESS REACTION TO FALKLANDS OUTCOME

[Translations of the items from Buenos Aires LA NACION mentioned below will appear in a subsequent issue of the LATIN AMERICA REPORT]

[Editorial Report] Argentine newspapers LA NACION, LA PRENSA, CLARIN and THE HERALD of 15 June give extensive coverage, including editorials and commentaries to the conflict over the Falkland Islands. The papers stress that no matter what the outcome of the battle, efforts to recover the Falklands will continue and ultimately Argentina will gain its objective. Of the above papers, only CLARIN focuses on negotiations as the way to pursue Argentina's objectives at this point. The papers praise the national unity achieved after the 2 April occupation of the Falklands and point out the importance of remaining united no matter what the outcome of the current battle. The U.S. action in siding with Great Britain is criticized, although in a subdued way. The papers note with satisfaction that Latin America has rallied around Argentina.

Buenos Aires LA NACION in Spanish on 15 June on page 8 publishes an editorial entitled: "History Condemns Us to Quality." It states that 2 April 1982 was a critical point in Argentina's history and that the country finally achieved total unity, but that it is now time to achieve the "real" and "ideal Argentina that our forefathers dreamt of." It stresses the fact that the country must now strengthen all its structures and not turn its back on the world, because "everyone needs everyone." The editorial states that "if the leaders of the countries that up to yesterday we considered as 'friendly nations' have made a mistake, this does not mean that we will renounce our historical roots nor 'will we invent' the sterile hate of a culture to which we actively belong, despite the blindness of some public personalities of the nations that they represent." It then goes on to indicate that quality must be stressed and the fact that civilization and humanity can no longer live without a continuous scientific development, which the current war conditions have demonstrated.

The same newspaper on the same day on page 8 in its "National Politics" column under the title "Nearly the Same as Before" says that the political parties have returned to the positions they maintained before the outbreak of the crisis, in other words, they are again opposing the military regime and want to see a government of transition without military men in it.



In the same issue, LA NACION on page 9 publishes a full page article by Vicente Gonzalo Massot entitled: "Argentina, a Modern Prometheus." The article also includes photographs of Brezhnev, Reagan and Castro. It is an analysis of the South Atlantic situation that indicates the origin, roots, causes and possible outcome of the conflict from the point of view of those directly involved: Latin America, the United States, Europe and the USSR.

Buenos Aires LA PRENSA in Spanish on 15 June on pages 1 and 6 publishes an article by J. Iglesias Rouco entitled: "On the Steps of a New Stage." He states that the Pope's idea of peace based on justice will not stop Argentina from "continuing its struggle for its rights over the Malvinas." He then states that it is up to London whether the war is to continue in the diplomatic or military sectors and that it is still possible to send more men, 15,000, to the archipelago and thus cause London a headache that will oblige it to sit down at the negotiating table. He then reviews London's "principles," which include the "retaining of Argentine prisoners in order to force Argentina to suspend its military actions and even to accept its conditions so that the prisoners are not forced to face Argentine attacks." He then stresses the fact that Margaret Thatcher wants to convert the archipelago into a "military fortress," but that "Washington has informed London it will not share a military base in the Malvinas nor will it give the go ahead for the creation of one." He also indicates that NATO and the European countries will now not support Great Britain in the United Nations. He then goes on to review the "possible advantages of a suspension of hostilities," which include a total suspension of military activities in order to break the Thatcher-Washington axis; a truce while matters are thrashed out in the security council and/or the Inter-American Reciprocal Assistance Treaty, giving Argentina time to prepare its military for other battles; and a deep and serious evaluation of whether or not to use the "so-called Russian military aid." He concludes saying that "with peace or war, diplomacy or cannons, we Argentines will continue to fight for our rights over the Malvinas without granting anything and without any type of shady compromises.

The same newspaper on the same day on page 12 publishes an article by Manfred Schonfeld entitled: "The Epic Effort That Has Been Made up to Now Must Not Be Subject Only to Military Honor, But Also to National Honor." It begins by saying that the war that is being made against Argentina by a first-rate power, Great Britain, openly supported by a superpower, the United States, and other powerful countries in Europe, America, Asia and Oceania is truly an epic effort. He then goes on to indicate that every sector in the country is contributing with its efforts to the war and he then thoroughly scores the defeatists, even they too are helping out with their effort, he says. He then states that even though the war is going against Argentina, it is not the time to look for scapegoats, that the idea must not even be thought of, because the people must remain united more than ever during the war. Schonfeld then speaks about responsibility, indicating that "those of us who must assume full responsibility are those

of us who have coherently and without hesitation supported, and continue to support, the war because we consider it, and we continue to consider it, a just war," because Argentina has gone through 150 years of peaceful negotiations.

Schonfeld then stresses the fact that Argentina is not in the same kind of condition that Finland finds itself in and that Argentina belongs to no one, not even the United States or Great Britain. He concludes his lengthy article with a portion entitled: "The War Continues," in which he states that the war continues no matter who says what and who does what and that Argentina will continue to send expedition after expedition to recover the Malvinas, Georgias and South Sandwich islands.

On 15 June on page 1 of its second section, LA PRENSA publishes an editorial entitled: "Peace." It starts: "It is hoped that the talks between the commanders yesterday of the warring factions in the Malvinas mean not only an armistice, but also peace." It then goes on to state that public opinion must accept the facts as they are and the fact that Argentine honor has been upheld through its arms and the dead that have fallen in the Malvinas. It also stresses the fact that Latin America and the Third World have supported Argentina and that the United States and European countries are finally finding out the truth of the situation through the haze of confusion created by Great Britain. It then states that the country accepted war and that it will now accept peace. It briefly touches on the Pope's visit to Argentina. It then goes on to state that the sacrifice has not been in vain, that the word sovereignty has united the country and that the country fought a first-line power with dignity. It concludes by urging that the people remain united in peace as in war.

[Editorial Report] Buenos Aires CLARIN in Spanish on 15 June on page 14 publishes an editorial entitled: "Priority: Peace." It starts by indicating that as soon as the undeclared cease-fire was learned of, the only concern of the public was that it must be turned into an honorable and permanent peace. Although that battle is over, the struggle for the Malvinas must continue, the editorial says, and this struggle will be taken up by future generations until it is accomplished. It then goes on to state that "the future of the country is now at stake." It stresses that an indefinite war will drain resources and that the technological gap is very wide. It goes on to repeat the position that it has always maintained: "That of negotiations." The editorial goes on and reviews the political costs of negotiations, and says that everything indicates the "need for seeking peace through the only possible channel: by negotiating it. This has been our constant position." The editorial states that "the first priority as a nation is that of building a strong democratic and equal society." It stresses the fact that every sector must be listened to in order to achieve a free society based on self-determination and that if this path is followed, it "will permit the preserving of national cohesion in these difficult times and those to come." The editorial concludes by indicating that peace is a priority step.

Buenos Aires TELAM in Spanish at 1113 GMT on 15 June carries a summary with quotes of a front page editorial published in the Buenos Aires daily CONVICCIÓN entitled: "What Happened on the Malvinas," which is signed by its director, Hugo Ezequiel Lezama [filed as PY152152]. Lezama views the fact that Argentina was up against the world's third-ranking power and he scores the United States for having left Latin America in the lurch and supporting Great Britain. He also stresses the fact that despite fighting against great odds, Argentina was able to do considerable damage to Great Britain. He then goes on to say that Argentina, under these conditions, could not let other Latin American countries shed the blood of their armed forces and he stressed that "this is just an episode. Time, like the Malvinas, is ours." Ending his editorial, Lezama lauds Argentina's armed forces and says that the truth of the Malvinas conflict will be gradually unveiled.

CSO: 3010/1715

## BRIEFS

CGT PREMISES--Buenos Aires, 17 Jun (NA)--The seat of the General Labor Confederation (CGT) in this capital, in a building at 802 Azopardo Street which was taken over by the military government which took power in 1976, could be returned shortly "to the Argentine labor movement so that it may carry out its corresponding activities in this building." Labor Minister Brig Gen Julio Porcile this afternoon told a group of labor union leaders of the so-called "moderate group" of the National Labor Movement that "there are great chances that this would take place." This afternoon the labor minister met with union leaders Luis Etchezar (La Fraternidad Union), Enrique Venturini (Naval Electricians' Union) and Juan Horvath (state-owned company unions). The minister, who resumed his activities today after returning from his mission to the International Labor Organization (ILO), reiterated what he had disclosed during a meeting with journalists accredited at the Labor Ministry, to whom he stated that although "the labor law does not recognize different levels of labor organizations, this does not prevent them from having legal recognition, and it is quite reasonable that they should carry out their specific activities regarding national and international issues from that location. [Excerpts] [PY172335 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2233 GMT 17 Jun 82]

CSO: 3010/1715

## NATIONAL SUGAR COMMISSION DEBATES SITUATION

La Paz ULTIMA HORA in Spanish 11 May 82 pp 5, 11

[Text] In 1982, the sugar cane harvest is expected to yield 5.5 million quintals of sugar and grinding operations were scheduled to start on Saturday, 15 [May], providing that some controversial issues, currently being examined by a meeting of the directorate of the National Study Commission on Sugar Cane and Sugar (CNECA), are resolved.

Commission executives, government representatives, industrialists and sugar farmers, have been meeting since yesterday in the conference hall of the National Chamber of Industries.

Since 1000 hours, this morning, they have discussed the current situation in the sugar industry and the policy applicable to production and quota allocation both in the domestic and foreign markets.

Right now, the country has reserves amounting to 663,000 quintals which are under "warrant" by the Central Bank of Bolivia and, consequently, there is no danger of a shortage of sugar.

The CNECA meeting must decide how much sugar will be allocated in 1982 for domestic consumption, estimated to stand at 3.5 million quintals. This leaves 2 million quintals available for export since the harvest is expected to yield 5.5 million quintals.

## A Critical Issue

From what has transpired, a very controversial issue is the situation arising from the economic policy advocated by the government of giving free rein to the supply and demand and the repercussions of the floating exchange rate of the dollar.

This is why a way will have to be found to change from the currently used classical standard to a new one which cannot be introduced "suddenly."

Consequently, it is believed that the directorate of the CNECA will have to meet at regular intervals to deal with the "price policy" as long as the country operates under the floating dollar system.

It was reported this morning that the first, and most important, part of the Commission's work--which is to determine commodity prices, production quotas and so on--could conclude on Wednesday or even last until Thursday.

8796

CSO: 3010/1639

## COOPERATIVE SYSTEM PROPOSED FOR BETTER PRICE POLICY

La Paz PRESENCIA in Spanish 20 Apr 82 pp 3, 11

[Article by Prudencio Penaranda Espejo: "Producers Vs. Consumers"]

[Text] The current crisis in the country has resulted in a confrontation between producers and consumers. The producers, hit by the economic measures adopted by the Supreme Government, are selling their goods and services at prices generally above the level required to counteract the effect of the new exchange rates for the American dollar. As the saying goes, "fishermen make good catches in troubled waters." Meanwhile, consumers--who are helpless against interest rates and speculation running so high that the government is unable to effectively control them--are in a desperate situation due to the highly speculative prices set by the producers and by the superfluous middlemen. The existence of an official foreign currency market and a parallel market works to their advantage, particularly in the case of the parallel market.

What is certain is that in this interplay of interests where producers and middlemen sell their goods at very high prices while consumers are demanding low prices, the latter are obviously at a disadvantage to resist the increases of price.

Everything, or almost everything, is so expensive as to be out of reach, particularly for low-income people for whom a glass of milk or a meat course have become a luxury.

On this problem, the government seems to have adopted the position that the way to solve economic problems is through free competition, by allowing the law of supply and demand to interact, by guiding the economy with an invisible hand and by following the course advocated by liberal economists. This attitude can be inferred from repeated statements made by official spokesmen.

Under certain conditions and in a situation of perfect competition, the free market system could, in theory, contribute to solve the economic crisis. But given the progress of our economic operations, currently affected by the dollar floatation, one cannot be certain that the law of supply and demand for goods and services is in itself enough to solve the serious crisis experienced by our nation.

An economy hit by shortages and imbalances requires both protection against excessive price increases and a search for means of correcting and eliminating the forces which have a harmful effect on the performance of our economic and social development because they represent an obstacle to its greater flexibility.

It is not a matter of interfering to such an extent as to eliminate the possibility of finding a balance in the economic life of the country but of preventing speculation from destroying the consumers and putting a halt to the rapid surge of prices which is heading towards runaway inflation. There are some signs that this is already happening such as businesses which are stagnating and do not know how much to charge, a tendency to hoard goods, a constant decline in the purchasing power of the wage earners. The government must act to defend the interests of the general public setting aside all political considerations and pressures and it must introduce corrective, incentive and dissuasive measures without falling either into an extreme laissez-faire posture or into a stultifying totalitarian dictatorship of the economy.

One must remember that the supply and the demand are not the only elements which determine prices; prices are also affected by various forces, causes and factors which the government must not disregard but keep under constant observation and, based on the needs of the country, it should adopt the most advisable steps.

For instance, to increase the supply of domestically produced goods and services--the existing ones do not satisfy the wide range of needs of domestic consumption and the country must turn to foreign suppliers to cover its actual demand--, the government ought to encourage and facilitate participation in the economy by any citizen or organization wishing to engage in productive activities eliminating the usual obstacles which discourage the most patient person; it must eliminate the monopoly and oligopoly which are harassing and squeezing the consumers forcing them to accept expensive and badly made goods as well as costly and unsatisfactory services. There is also the matter of the middlemen who are partly responsible for the higher cost of living and for the impoverishment of the consumer.

Under these circumstances, the only alternative left to consumers, who have no control over the enterprises producing the goods which they use or over the merchants, is to get united. Confronted with price unstability and anarchy, with abuses and harassment, mostly from the merchants, they need to create consumer cooperative associations to exert their own pressure and avoid being completely enslaved.

There are many consumer cooperatives in the country but they do not carry as much weight as they should because they are fragmented and small enterprises using primitive methods of management.

Large cooperative stores must be created. The ones already in existence must merge both to reduce their operating costs and to be in a better position to compete with the private organizations. Consumer cooperatives could very well assist the government to carry out its policy of bringing prices down. This is what happened in several European countries after the First and Second World Wars.



Cooperatives can certainly help the state to obtain a correct picture of the price pattern and to avoid being swayed by the reports and advice provided by private enterprises which are strongly influenced by their desire to make excessive profits. Through these cooperatives, consumers can defend their interests.

It is up to the government to promote the operation of this type of organizations to break the upward surge of prices in the domestic market and to have the means to curtail these prices in the future. It is up to the government to break the monopolies and to get the consumers organized into cooperatives providing the services which they require.

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CSO: 3010/1639



## FARMERS FAULT MINISTER'S INSENSITIVITY FOR THEIR PROBLEMS

La Paz PRESENCIA in Spanish 13 May 82 p 9

[Text] Santa Cruz, 12 May--For the third time in the space of a few days, farmers from this area have complained about the lack of discernment and perspective shown by some government officials, ministers included, in their approach to farming policy which had resulted in a state of emergency.

Sugar cane farmers have gone as far as to call for the resignation of the minister of industry and commerce whom they accuse of trying to interfere with the government policy and of creating problems for personal reasons, all of which could drive them to take joint action. Some leaders are even talking about a general strike in Santa Cruz.

Shortly after returning from La Paz, a delegation of sugar cane farmers explained the reasons why the farmers of Santa Cruz and Tarija had walked out of the general meeting of the National Study Commission on Sugar Cane and Sugar (CNECA).

The delegation explained that the minister of industry and commerce had displayed total ignorance on the problem and when he met the delegation "for 2 or 3 minutes" he tried to assert viewpoints which are inconsistent with the real situation in the sphere of sugar cane farming. The president of the sugar cane farmers told a press conference that Luis Palengue, the minister of commerce and industry, had shown to be insensitive to the problems of the Santa Cruz farmers. He pointed out that the government is trying to force them to grind just part of the sugar cane harvest, up to a maximum of 1 million quintals of sugar, and leave more than 50 percent of the harvest in the fields.

Enrique Roda criticized Minister Palenque for his "lack of competence" and accused him of wanting to ruin more than 7,000 sugar cane farmers, thousands of cane cutters and other sections of the population.

Farmers who grow soybean and corn crops and livestock breeders are also complaining about this lack of concern. Their leaders feel very definitely that the government pays greater attention to the mining and trade sectors than to agriculture and livestock which employs most of the country's work force, supports a majority of the families and has a higher multiplier effect.

Meetings are being held at various levels in this town and, today, it was announced that the issue has even been raised in front of the Committee for Santa Cruz which will study the situation "to take steps proving to the government the real importance of the agriculture and livestock sector."

8796

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## BRIEFS

MILK SHIPMENT RETURNED--The General Directorate of Customs has given permission to send back a shipment of 'Nido' milk, from the port of Arica (Chile) to its country of origin, because the importers did not have the dollars required to cover the total cost of the merchandise. This was announced yesterday by Arturo Doria Medina, the director of that agency. The customs operation, he said, was carried out as prescribed by Article 337 of the Organic Law on Customs. "The return of the shipment of foreign merchandise which had not yet entered the country and was still under the official jurisdiction of the country of origin, or the country from where it came, was in conformity with legal standard procedures," he said as he pointed out that the Treasury had not incurred any financial loss. Director Doria Medina explained the steps taken by the National Directorate of Customs in the following terms: "It must be noted that, as stated in the written statements submitted by the interested parties, BOLIVAC had failed to pay the supplier firm the full cost of the said merchandise because it did not have the necessary foreign currency." Finally the Treasury did not incur any financial loss in this instance because the operation was protected by the provisions of the law. The investigation conducted indicates that legal norms were not violated in any way since the said merchandise is exempt of custom duties and subject to preferential treatment according to Cir. 5/82 D.S. 18782, he concluded. [Text] [La Paz HOY in Spanish 21 Apr 82 p 6] 8796

LOAN FROM JAPAN--The Government of Japan is reported to be willing to provide a loan of \$27 million destined to rebuild the Taperas-Robore section of the Eastern Railway Line. The National Railway Enterprise (ENFE) reports that it has received an official communication from the Japanese Government saying that it was willing to finance that project. It has been announced that four Japanese experts from the Overseas Economic Cooperation Fund of Japan will travel to Bolivia. The Taperas-Robore railroad section was seriously damaged by the constant floods that occur in that area curtailing railroad transportation in eastern Bolivia. After repair work was carried out in that section, it was provisionally reopened to traffic. The Japanese delegation scheduled to arrive tomorrow consists of the following experts: Isamu Hayase, deputy director of the Loans Department; Maskazu Hirota, assistant manager of the Loans Department Division and Tomaoka Tanaka, assistant manager of the Technical and Economic Evaluation Division of Japan's Overseas Economic Cooperation Fund. The delegation will meet with the minister of transportation and communications and with officials of the National Railway Enterprise (ENFE). During their meetings, they will decide the terms for granting the \$27 million credit and its repayment schedule. [Text] [La Paz PRESENCIA in Spanish 16 May 82 p 11] 8796

1981 IMPORT FIGURES--According to estimated figures provided by the Department of Economic Statistics of the National Institute of Statistics (INE), during fiscal 1981 78.96 percent of Bolivia's imports went to the private sector. The rest, or 21.04 percent, went to the public sector. This import pattern has remained constant in recent years although some slight variations were registered at times but, according to the report, they did not alter its nature and structure. Looking at the classification based on economic use or destination (CUODE), during fiscal 1981 consumer goods accounted for 22.51 percent of the imports with 20.51 percent going to the private sector and 2.2 percent to the public sector. Raw materials and intermediary products accounted for 29.58 percent of the imports with 23.78 percent for the private sector and 5.8 percent for the public sector. Capital equipment represented 46.94 percent of all imports, 33.91 percent imported by the private sector and 13.03 percent by the public sector. Goods listed under the category of "miscellaneous" represented 0.97 percent of the total. [Text] [La Paz PRESENCIA in Spanish 16 May 82 p 10] 8796

CSO: 3010/1639

## DELFIN NETTO SPEAKS ON TAX REFORMS, NEW SOCIAL FUND

## Minister Netto Interviewed

Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 May 82 p 34

[Interview with the Minister-Chief of the Planning Secretariat of the Presidency, Delfim Netto, by Carlos Max Torres, Fernando Martins and Jose Negreiros; date and place not indicated]

[Text] Brasilia--After reiterating that the surtax on excess profits of banks imposed by the Income Tax has not been abolished with the levy of .5 percent for the Social Investment Fund (FINSOCIAL), Minister of Planning Delfim Netto guaranteed that there is no contradiction between the intention of the government of promoting a tax reform for returning more money to the states and municipalities and the creation of the so-called social tax, which directs more money to the government.

Delfim admitted that FINSOCIAL "will be somewhat inflationary, but its results in the creation of jobs, cheaper housing, among other things, will compensate for that problem."

## Wages and Prices

In a 40-minute interview with JORNAL DO BRASIL, the minister of planning said that inflation has not declined or has declined little "because you have costs all growing in the same direction." After uttering one more of his famous phrases--this one was: "The Brazilian economy is an ordinary case of underdevelopment; there is nothing original."-- Delfim said that "Inflation goes down where you have a policy of returns adjusted for reducing inflation." He asserted that there is a very close link between increases in wages and prices.

After lamenting the effect of the Falklands War on international trade, Delfim admitted that Brazilian exports are closer to the "pessimistic" government idea of \$24 billion than to the "optimistic" goal of \$26.5 billion. He did not fail to give an original concept for difficult times:

"If you lump all the crises together, you have prosperity. If you leave each crisis by itself you are going to have crises."

## New Phrases by the Minister

A well-known phrasemaker--his best known is: "The most sensitive part of the human body is the pocketbook"--Delfim utters a few more in this interview:

"The Brazilian economy is an ordinary case of underdevelopment. It is enough to look at the world." (on the fight against inflation)

"The greatest illusion in the world is that of thinking that inflation is at 90 percent because of the devil's work. It is man's work." (on the pressures on the government to spend more)

"I am not a banker who can trim the balance." (On criticisms that the Central Bank does not control monetary policy)

"You see that 82 is quite different than what could have been imagined 8 weeks ago. Unfortunately we could not place this problem within our perspective." (on the Falklands War)

"People refuse to do arithmetic. We are a country of mathematicians who do not like numbers." (On rates of interest)

"If you could only convince the people that they do not need a 90-percent inflation, that an inflation of 40 percent is enough for causing all the damage we are doing." (on reversing the present inflationary process)

## Inflation Increases With Costs

[Question] Why does inflation remain unchanged at between 80 and 90 percent?

[Answer] Because you have all costs increasing in the same direction. The Brazilian has many bad habits. One of them is policy. Everyone has a policy, against or in favor. They have no policy at all. There is no originality in what Brazil does. The Brazilian economy is an ordinary case of underdevelopment. It is enough to look at the world. Inflation goes down where you have a policy of returns adapted for lowering inflation. In the case of Germany, the recent success was the result of coming to an agreement with the unions which provides for a 4.9-percent rate. It is clear and certain that inflation is going to go to 4 percent by the end of the year. The same thing happened in England and the United States.

[Question] They paid lower wages to control prices...

[Answer] There is a very close link between an increase in wages and prices. Wages represent, let us say, between two-thirds and three-fourths of national income. Since you cannot bring about a very broad change in income without arousing resistance, what happens is that when wages rise everything else rises with them. In Brazil we have a serious problem: At the level of 10 minimum wages, let us say, wages are growing at a real rate on the order of 10 percent, 12 percent. Above that you have a declining wage. This is the great truth. Today you have a system which is running away with itself. Prices increase 90 percent, wages increase 97 percent, monetary correction 90 percent and exchange correction 90 percent. That represents the chaos of the movement.

[Question] When will it begin to fall?

[Answer] When inflation stabilizes it means that those tensions of redistribution of the systems' internal income will end and you will be ready to climb a step. If you can convince the people that a 90-percent inflation is not needed, that a 40-percent inflation is all that is needed to cause the damage we are doing, you will bring inflation from 90 percent down to 40 percent. You cannot do this by simply cutting off credit because costs are way up there. When you make these cuts, prices just do not come down, but there is a decline in the number of things available. Some people are confused, thinking that this is what happened in 81. It was not. In 81 we had to adjust the balance of payments. Then we sacrificed our growth.

[Question] Did not the withholding of 10 percent above the INPC [expansion unknown] not mean a loss in real income for the lowest income class?

[Answer] No, it continued to receive the same income. The minimum wage is not the reference wage. You did not change the relationship. The minimum wage is rigorously corrected by the INPC, and it maintains its complete purchasing power.

[Question] Is productivity still around 3 to 4 percent?

[Answer] It is. Therefore, you have a phenomenon there. It is for that reason that the ratio between rent or home payments and wages is falling in this category.

[Question] In 1982 there is not going to be any great advances in terms of the fight against inflation--around 80 percent, 90 percent--therefore, will 83 be a year for the adjustment of accounts?

[Answer] We came from 130 percent to 90 percent. If you were stabilized at 85 percent, next year we could go to 70 percent and the same thing from then on.

Time Will Tell how to Lower Interest Rates

[Question] What is the government doing to control the money supply: using the Treasury surplus or burning exchange reserves?

[Answer] It did not liquidate any reserves. On the contrary, it received a little bit. No reserve has been liquidated for 2 years. What is happening is that the treasury is operating at a very reasonable level and the sale of bonds makes up the rest of the service.

[Question] As more bonds are sold it has to push the rate up.

[Answer] You have a rate of return there which should not be where it is. You have a very active, capable domestic market.

[Question] What measure could be used to lower rates?



[Answer] Time will tell, not I.

[Question] Have pressures been very great?

[Answer] Pressures are great because Brazil continues to try to do more than it can. The greatest illusion in the world is to think that inflation is at 90 percent because of some work of the devil. It is the work of man.

[Question] The Central Bank has been criticized because it works with an end-of-month wage instead of a daily wage.

[Answer] They are criticisms by amateurs. It would mean thinking that the Central Bank considers Brazil to be a nation of imbeciles. Just imagine if such a ruse existed! I do not have information on it. Do you think I am happy at the end of the month? I am not a banker who can trim the balance.

[Question] 82 was a year in which the government began to revise its statistics earlier.

[Answer] Let me tell you something. It is enough to look abroad. You can see that 82 is quite different than one could imagine 8 weeks ago. Unfortunately we could not place that problem within our perspective. It is an emerging problem which changed everything, which changed foreign relations in all Latin America.. It is obvious that all international trade is in upheaval with increased insurance, transport difficulties and all countries taking precautions.

[Question] Even before the war in the Malvinas, the government had already revised its export goals to nearly \$26 billion.

[Answer] No, \$26.5 billion. If you were to look at the estimates for the balance of payments, the government always put down \$26.5 billion as its optimistic hypothesis.

[Question] Which was the pessimistic estimate? To which are we closer?

[Answer] The pessimistic was \$24 billion. We are closer to it.

[Question] There is already talk of a trade deficit in May.

[Answer] There is a deficit one month, a surplus another. One cannot have a surplus every month. One thing is certain: The trend is in the direction of obtaining a surplus of around \$2 to \$2.5 billion. Now you say: "Will you swear to it?" I cannot swear. No one can swear to that.

[Question] The line you advocated in the United States against the closing of markets pleased businessmen. What did you say?

[Answer] If you were to lump all crises together, you have prosperity. If you leave each crisis by itself, you are going to have crises. If you were to treat all crises as one; a small part of your crisis is my crisis. The two of us can cut out that piece of the crisis which is common. And that is what the developed countries have to understand, primarily the United States.

I believe the United States is going to go up in the second half of the year by around 1 percent, however, that is already an important sign. In order to function more quickly it is necessary to have a greater relaxation in foreign trade and more than that, an understanding that countries such as Brazil have to have a more open access to foreign trade. Why? Because basically it is the only path we have for satisfying our needs and honor our commitments.

[Question] How can your estimate of growth be made compatible with the inflexibility of interest rates which inhibit investments?

[Answer] We are going to take advantage of idle capacity. The problem of investments is already different, it has to be studied from another angle. It is not inhibiting in Brazil. There is no investment anywhere in the world. Interest rates are high throughout the world. Only Carajas has a domestic rate of return which is higher than the real interest rate of the country. Perhaps some other individual has a way and can do it, but to imagine that with a real interest rate of 16 or 17 percent...people refuse to do arithmetic. We are a nation of mathematicians who hate numbers.

[Question] And that would lead to the question of profits, which are falling.

[Answer] All that is linked. You have an even more serious phenomenon. The advantage of the society in which we live is that we have a dynamic technological development. That was the carrot that drove the economy. To support it you need investments in research and development in order to obtain investments years later. To have that, you need to have profits today. Without that, you lose your technological drive and you suffer from that the rest of your life. So what happens? Of all the countries, only one did not lose its drive up to now and that is Japan. Of the rest, all are floundering. In our case, we have one advantage: Since we arrived late, we can copy the others.

#### FINSOCIAL to Last Forever

Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Jun 82 p 19

[Text] The new social tax, which companies will withhold from their revenues to finance the Social Investment Fund (FINSOCIAL) "is going to be an integral part of the Brazilian tax system from now until the end of time." The warning was given yesterday by Minister of Planning Delfim Netto after the talk he gave to the students of the Superior War School.

In this lecture, Delfim Netto sought to show that the Figueiredo Government has suitably resolved the three economic priorities: balance of payments, inflation and energy substitution, and he concluded that "today we have the conditions of pressure and temperature for growing at a rate of 5 percent per year up to 1990, without compromising the level of foreign debt."



Yesterday the minister once more attacked wage policy, to him a real factor in inflation: "It is a turtle running over itself." However, he said that Brazilian businessmen, even if they wanted to do so, cannot break the present system as the Italians are trying to do with a sliding scale of wages. "It is completely different here. In our case it is a law. Over there they can break with it because it is an agreement."

At the same place where last year Delfim accused businessmen of sucking on the teats of the government, the minister of planning confirmed laconically yesterday: "They have sucked those teats dry." However, he is not worried about the businessmen:

"They are strong and solid. With that milk they have produced a multitude of things. No one stands still in Brazil or he is trampled to death."

#### FINSOCIAL

Perspiring greatly under the glare television lights and under the seige of more than 20 reporters, Minister Delfim Netto sat down yesterday for the first time for a collective interview at the Superior War School. In a good humor, he was even ironic in his replies and, as usual, he laughed a great deal at his own brilliant phrases.

Reporter: Has the government already decided how to use the FINSOCIAL funds?

Delfim: No. The president is going to decide that and we shall have a decision at the beginning of next week.

[Question] Last week they were saying that the decision would come this week. Now it has been left for next week...

[Answer] ...The president decides the priorities of FINSOCIAL when he wants to do it.

[Question] Since the FINSOCIAL funds are going to fill the BNDE [National Economic Development Bank] gap, who is going to do this?

[Answer] What gap is that? Explain it to me. Tell me about it.

[Question] The difference between the 20-percent monetary correction of the treasury debt to the BNDE and the actual correction.

[Answer] That was done. National Treasury Notes (ORTN's) are being delivered to them. There is nothing. There is no gap. What gap is that? It does not need money because the money is allocated in the BNDE budget and it only spends what the budget authorizes.

[Question] FINSOCIAL was created on the eve of the announcement of a tax reform. How is this new social tax going to be handled in the reform?

[Answer] It is going to be an integral part of the Brazilian tax system from now until the end of time.

[Question] The great majority of businessmen oppose FINSOCIAL...

[Answer] Ohhh, I do not believe that. Businessmen understand and support FINSOCIAL. What they complain about is the way in which it is financed. But this is a complaint they can make, there is nothing to it.

[Question] But they declare that this tax is going to be passed on to the consumer...

[Answer] ...part of it will be passed on. But I hope that they in their great patriotism will take a piece of it.

[Question] What can prevent that passing on?

[Answer] Nothing, only the conscience of each one.

#### South Atlantic, China, Inflation

According to Delfim Netto, the South Atlantic war does not prejudice the growth of the Brazilian economy, nor has it up to now affected the entry of foreign money into the country. The fact that the inflow of money during May fell to almost half of that of April, has nothing to do with the Falkland/Malvinas Islands war, according to him.

Delfim reaffirmed that he is expecting inflation to remain below 90 percent this year. He explained that the cost of food is still high because crops come in during May and regulatory floor prices established by the government go into effect. He said that prices of food should now begin to increase less.

The minister was also asked to speak on his coming trip to China.

Reporter: Minister, you have a trip scheduled to China. Has the time not come for the creation of a Ministry of Foreign Trade in Brazil? Why is it the minister of planning who has to make these trips?

Delfim: Because he likes to travel.

[Question] What will your conversations be like in China?

[Answer] Chinese.

[Question] Please, minister, let us speak seriously. Is there already something specific you are taking to China?

[Answer] No, this is the beginning of a trade mechanism which we hope will be expanded.

## Economic Growth

Explaining that he believed Brazil can have an economic growth of 5 percent per year until 1990, the minister said:

"I did not project 5 percent. That exercise means: If you wanted to maintain the level of the foreign debt in real terms, with the prospect which exists for a substitution for petroleum domestically and with the prospects for an average increase in trade of 4 percent in real terms, then a 5-percent rate of growth is feasible without increasing the real debt. Period. That is not futurology, it is not a commitment to something. It is only an exercise in arithmetic.

Delfim reaffirmed that the government maintains its expectations of a trade surplus of \$2.5 to \$3 billion by the end of this year despite the decline in the rate of exports. He denies that the monetary policy is impotent, although the situation is now similar to that of 1980.

Finally, Delfim made a comment on a statement he himself had made on possible changes in the monetary policy of the United States aimed at reducing the interest rates.

"It was not an affirmation. It is only a hope. I said nothing nor did I commit myself. I said that they are now understanding the damage they are doing."

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## DOWNWARD REVISION OF EXPORT FORECASTS MADE BY CACEX

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 June 82 p 28

[Text] The Brazilian export goal, initially set by the government for this year at \$28 billion and lowered a few months ago to \$26 billion, should drop to \$23.3 billion, equal to that of last year, the last number revealed yesterday in Rio by the director of the Foreign Trade Department (CACEX) of the Bank of Brazil, Benedito Fonseca Moreira.

To reach the \$26 billion goal of the second revision of the trade balance, Brazil would have to obtain at least \$2.2 billion per month during the second half of this year, according to Benedito Moreira. He also reported that in May exports should yield only \$1.8 billion, according to preliminary estimates, lower by \$100 million than receipts of \$1.9 billion in the same month last year. May imports should be around \$1.6 billion, compared to \$1.8 billion in May 1981.

## Mexico

The Mexican Government is going to grant preferential treatment to Brazilian products in the licensing prior to imports, issuing import licenses within a maximum period of 15 days after the request by the importers. This information was provided yesterday in Brasilia by the assistant coordinator of the Ministry of Finance International Advisory Office, Jose Frederico Alvares, who was recently in Mexico together with the CACEX director and representatives of the industry negotiating that agreement.

With respect to the antidumping trial initiated by the CEE against Brazilian exports of thin hot and cold-rolled plate of less than 3 millimeters on the 11th of last month, technicians of the Ministry of Finance yesterday initiated the process of gathering figures to prove that national steel plants are not selling the product below the "basic price" (price established by the CEE at which its members may acquire the product).

## Costs

The present financial costs of the national companies, with interest rates which are reaching suffocating levels, seriously jeopardize the level of competitiveness abroad, diminishing the value of production incentives and benefits aimed at exports. This opinion was expressed yesterday in Rio during the 1st Seminar on the Capital Goods Industry by the director of CONFAB [Manufacturers Federation], Antonio Carlos Vidigal. He declared that although the government has lines of financing for exporters at favorable interest rates, some of them become

available after the operation, rewarding those who are already exporting and not the one who is seeking to export.

He said the high cost of preparing proposals, which frequently reaches between 1.5 and 2 percent of the sale price, is a problem which inhibits the exporting efforts of the capital goods manufacturer.

#### Corn

Brazil is going to export 500,000 tons of wheat between July and August this year, probably from the regulating stock of the Product Financing Commission (CFP), which at this time amounts to more than a million tons. At present prices the deal will bring the country nearly \$60 million. This information was provided yesterday by the coordinator of the Ministry of Agriculture Economic Affairs, Deniz Ferreira Ribeiro, although the Secretary of the SEAP [expansion unknown], Julio Cesar Martins, asserted a few days ago that the government will not export its grain stocks.

He guaranteed, however, that the export of 500,000 tons of corn will not jeopardize supplies for the domestic market, adding that this volume could be increased by 1 or 1.5 million tons, depending on the planting plans of the farmers for the next harvest (whose planting should begin this year). Ferreira Ribeiro also pointed out the possibility that exports may not come only from CFP stocks, saying, however, that the other sources which will also export corn, or the markets to which they will export it, have not been determined.

8908

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## LUIS CARLOS PRESTES FACES EXPULSION FROM COMMUNIST PARTY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Jun 82 p 2

[Text] Sao Paulo--Former Secretary General of the Brazilian Communist Party [PDB] Luis Carlos Prestes is no longer a member of the party, it was reported yesterday by a member of the Central Committee. He explained that Prestes violated the PCB bylaws and for this reason, as far as the Central Committee is concerned, he is banned from the party.

Two other members of the PCB Central Committee, Salomao Malina and Lindolfo Silva, confirmed that the status of the former secretary general will be discussed at the 7th Congress--no scheduled date, but should still be held this year--which will decide whether or not he will be expelled from the party.

## Mistake

Luis Tenorio de Lima, communist leader who participated in meetings in recent days in Rio de Janeiro and Sao Paulo with members of the Central Committee who discussed Prestes' status, refused to make statements.

"There was a mistake," said former PCB Secretary General Luis Carlos Prestes, speaking on the telephone about his announced expulsion. He spent yesterday in Rio and promised "to explain this in a letter," whose addressee he did not reveal.

Prestes, according to explanations by communist leaders, violated Article VI of the PCB bylaws which states: "A member of the party who without justifiable cause refrains from participating in the activities of his organization for a year and fails to make the material contribution to which he is committed, and who insists on maintaining that attitude after efforts to make him reconsider have been exhausted, is considered as having abandoned the party of his own free will and will therefore have his membership cancelled by the party organization to which he belongs."

Since 1979, when he returned to Brazil after amnesty, Prestes, according to the Central Committee, has not been participating in the leadership meetings of the party. In July 1980 he was removed as secretary general--which he was for 37 years--but continued to be a member of the Central Committee, from which he may only be removed by the approval of a party congress.

Yesterday, no PCB leader wished to tell what had been done with the party membership records of Prestes. "Prestes is a man of historical importance in the life of the party and the country. The political status of people is special and that of the party is very special, and for that reason the party cannot put into effect the provisions of its bylaws immediately," said Lindolfo Silva.

8908

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## PMDB LEADER IN CHAMBER OF DEPUTIES ATTACKS WORKERS PARTY

Brasilia CORREIO BRAZILIENSE in Portuguese 30 May 82 p 7

[Interview with Odacyr Klein, leader of the Brazilian Democratic Party Movement [PMDB] in the Chamber of Deputies, by Pelagio Gondim; date and place not indicated]

[Text] The enemy is the system existing in the country since 1964. It is against that system that its opponents should aim their weapons, even if they hold different positions, instead of exchanging shots among themselves, which only contributes to the strengthening of the government and its party, the PDS [Social Democratic Party]. This, in summary, is the response by the PMDB leader in the Chamber, Odacyr Klein, to the constant aggressions the party has been experiencing from the other opposition groups, primarily the PT [Workers Party].

For Odacyr Klein, that attack, as well as the measures the government has been adopting in the electoral field, have a very simple explanation: The PMDB is now, with the incorporation of the PP [Popular Party], the party with the best chances of defeating the government in the majority of the states in the upcoming elections. According to him, this does not mean that the small parties are the enemies of the PMDB. However, he believes that with those attacks those groups are committing a "political mistake" with respect to the moment of dividing, of truly adopting the multiparty system. [sentence as published, presumably a line was dropped] "Division at this time is unsuitable," averred Klein, asserting that the PMDB wants the multiparty system "but in order to arrive at it we cannot help those who now hold power to coadminister the crisis of the authoritarian regime."

[Question] Deputy, the PT has declared several times that the political enemy of the party is the PMDB not the PDS. How can that be explained?

[Answer] The PMDB is the enemy of the system. All measures taken up to now by means of the electoral "packages" are aimed at harming the PMDB. Now the PMDB, with a significant number of deputies and senators, is the party which has the chances to compete in all the states and in that way defeat the PDS in some of them, even while losing in others. That is why the government wants to smash it. This is so true that the period for those who want to leave the PMDB is open now but no one can join it.



The enemy of the PMDB is truly the group now in power, who want to smash it because it knows that it is the party which can prevent the legalization of authoritarianism by electoral means. That is why we do not view the other opposition parties as our adversaries but we are sorry to see them make the political mistake at this time in which the formation of parties ideologically is called for and when those in power want to "Paraguayize" the Brazilian system under the pretext of a multiparty system, creating the system of a single party, where only one can arrive at power. The PMDB wants to place itself against that. Being a great national party, its objective is to prevent the recycling of authoritarianism.

[Question] The PT accuses the PMDB of not yet having adopted the multiparty system and that it is waging a campaign to cancel all the work of the small parties. This, according to the PT, establishes its status as a political enemy. How do you explain that accusation?

[Answer] Exactly because the PMDB understands that the multiparty plan is actually a maneuver by the government to bring about a single party system that can take over power. The government sought to divide the opposition ideologically and wants to keep it without a physically united party. The PDS is probably already united through the distribution of positions, favors, jobs, public funds... We believe that this is no time for divisions, which at this time are unsuitable. We are in favor of the multiparty system but to arrive at it we cannot help those in power to coadminister the crisis of the authoritarian system. The authoritarian system in crisis seeks to legitimize itself through that division of the opposition because it wants to unite its party through the use of the administrative machinery.

The PDS was the one which created the legislation banning coalitions and it was not the PMDB which created the linked vote. When some say that the PMDB is their enemy, they are in effect saying that the PDS is not their enemy. If the PMDB is the enemy of someone, then the PDS and the government are not being the adversaries of those who claim that we are the adversaries.

[Question] In practical terms, the PT believes the following: In the contest for votes the PDS does not contest any with the PT, since the government party did not go where the PT went. However, the PMDB progressives are within that area, which is that of unions and students. They, therefore, are the true political enemies of the PT.

[Answer] I become very worried when members of other opposition parties begin to make an analysis of the PMDB and say that there are different sectors and factions within the party. We admit that, but the fact is worrisome that those persons may be heading toward positions held in the past by some ARENA [National Renewal Alliance] members belonging to the hardline of the system, the "stool pigeon" position.

We have already said that we need a great opposition front to defeat the recycling of authoritarianism, the legitimization of despotism by electoral means. Now, I am concerned when I see that persons, who have an apparently popular position of a seeming defense of the most progressive positions, begin to seek to detect internal factions within the PMDB, acting almost as "stool pigeons" as if they were members of the SNI [National Intelligence Service].

[Question] The PT believes that because of the fact that the PMDB consists of various factions, including former members of the government, the party has not yet made a decision as to its political composition and action since its makeup ranges from the extreme right to the extreme left. How can that be explained?

[Answer] I believe I answered that when I said the PMDB is a great national front for preventing "Paraguayization." As for the accusation that there are government men in our midst, it seems to me to be completely unfounded and to advocate that position is to adopt a conservative position and to admit that people do not change. I would not exchange, for example, the political position of Senator Teotonio Vilela--who is in Congress for the PMDB but who was elected in 1974 by the ARENA [National Renewal Alliance]--for that of many people who assume an opposition position but who at the time authoritarianism wants to legalize itself even seek to help it.

We indeed have people who yesterday were in the ranks of government. However, I believe the position of those people is that of someone who has changed and I believe the position of those who do not want people to change, who do not want people to have the chance to change their viewpoints and advance in the political process, to be primarily reactionary and conservative.

[Question] What about the persons who up until a short time ago were in government and persecuted members of the opposition?

[Answer] Being a great national front of opposition, the PMDB naturally has minority sectors. If those people clash with the line of the majority, they will always be defeated. It is not necessary for them to have come from government to maintain that contrary position, they can even be people who were in the MPDB during all that time. They are defeated. However, a democratic party must have internal differences.

[Question] It so happens that those people could become a majority, by being elected governors. An example are Senator Alberto Silva in Piauí and Gilberto Mestrinho in Amazonas...

[Answer] I am happy with the confirmation that those members of the PMDB will win the elections. By that the PMDB demonstrates that it wishes to impede the advance of the government. The important thing is that we won elections regardless of the person who wins. If persons from the government want to defeat him, they are exactly in our position: The achievement of a real multiparty system so that there will not be a system in which only one party can obtain power.

If the members of the old ARENA, who today are in the opposition, were to win the elections, very good, because the government will have made no gain and the objective of the so-called political opening process--which is a process of name changing--shall not have been achieved.

[Question] Deputy, does the PMDB not fear that with that opposition front, after the elections and the creation of the Liberal Party, there will be a loss of members since the Liberal Party will be the replacement for the PP?

[Answer] After the experience of the "November package," it seems to me that the steadfast opposition members will not leave a great national opposition party and fragment it. We are going to fight for the conquest of a political space. When that space is obtained, and there exist the conditions for a multiparty system, the entire picture of today will be changed. If that happens, we shall be satisfied, even if the PMDB were to undergo losses, because we shall have achieved the redemocratization of the country.

[Question] How does the PMDB face up to the competition from the PT and the PDT [Democratic Workers Party] in the old bases such as the church and the unions?

[Answer] I am not aware there is support by the union and the church for other opposition parties except the PMDB and the PT. The church, in my opinion, is an institution. We have to defend the right of all to participate in the political process. The member of the religious movement is also a citizen and should have a political choice. The religious militants and those of union movements, who are not government political henchmen, make a natural choice for the opposition.

[Question] Deputy, how do you analyze the PDS, the PT, PTB [Brazilian Labor Party], and PDT?

[Answer] I am going to reserve the right to make an analysis of what the PDS is because I do not want to encourage opposition difference. The PDS is a group of people united by the desire to maintain a power structure which favors minorities, on one hand, and on the other, by the interest of the administrative machine in the elections with future objectives. The other parties seek to develop ideological programs at a time when there is a need for a great national opposition party for defeating the PDS.

8908

CSO: 3001/162

## BRIEFS

EXPORTS TO PRC--Sao Paulo--Brazil should export \$60 million in synthetic thread and fibers and artificial threads to China next year. The intention is to make sales to the Chinese market of \$200 million in three years. A mission from the China National Textile Corporation (state company) is visiting the 27th Textile Industry National Fair--FENIT--to find new possibilities for trade, it was reported by the vice president of the COMEXPORT Trading Company, through which business in that sector is conducted, Arthur Goldlust. The Brazilian move into the Chinese market for the sale of textile products began in 1979, when fewer than \$1 million were exported. This figure rose to \$5 million in 1980, reaching \$30 million in 1981. Brazilian exports should reach the same figure this year. Brazilian exports to China are made basically by six companies under the organization of COMEXPORT: Rhodia, Celanese, Polienka, Companhia Brasileira de Sinteticos, Vicunha and Fiacao Brasileira de Rayon. The Chinese market now imports \$2.5 billion in textile products. The main problem for the expansion of Brazilian exports is freight. Since there is no regular shipping, exporters are forced to charter ships, paying freight which is above the international average. [Text] [Rio de Janeiro JORNAL DO BRAZIL in Portuguese 2 Jun 82 p 18] 8908

SOPHISTICATED BASE PROPOSAL--Brasilia--The installation of ground-air and land-sea missiles, the construction of a reinforced runway for fighter aircraft, the installation of radar equipment with a maximum range of 200 and 300 miles, the installation of a sophisticated electronic system and the construction of a port are included in a project presented yesterday in the Ministry of Navy by representatives of a consortium consisting of the firms Mendes Junior, Joao Fortes Engenharia, Thomsom Equipamentos Electronicos (French) and International Engenharia (Sao Paulo firm), for the naval airbase of the Ilha da Trindade. In addition to Minister Maximiano da Foseca, general officers and senior officers of the navy and air force attended the presentation of the project for Ilha da Trindade. According to one of the military men present, those presenting the project sought to point out the importance of their project in the aspects having to do with the strategic position of Ilha da Trindade in that which concerns the security it could provide as an element of surveillance of the South Atlantic trade routes. Although avoiding making any comments on the project by the consortium, which did not even present the costs of construction and financing, Brazilian military men criticized the hypothesis aired by the consortium that the United States participate with Brazil on the Ilha da Trindade work for the security of that part of the Atlantic. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Jun 82 p 13] 8908

## IDA'S NEW PRESIDENT DISCUSSES DEBTS, PLANS

San Jose LA NACION in Spanish 12 Apr 82 p 2-A

[Text] Negotiations with the creditors of the Institute for Agrarian Development (IDA), whose debts amount to the sum of 150 million colons, will be a top priority project for the government which is coming into power, said Mr Jose Manuel Salazar, next executive president of that institution.

"I hope that the current administration will at least take care of the interest on that enormous debt, which comes to more than 20 million colons," he added.

He also declared that agrarian policy should steal a march on the actions of the agitators' groups; and that the IDA will not look favorably on solutions which are illegal, faulty or produce victims. He emphasized that the government not only should give out land for new settlements, but should lend basic support, with the whole system, to the groups which may be established and to those which already exist.

"In order to do this," he added, "we need development of rural roads, technical assistance, bank credit, and a host of other features, which will contribute to close cooperation between different public institutions.

## Indebtedness

Mr Salazar, who is occupying the post of executive president of the IDA for the second time--formerly it was the Institute of Lands and Settlements (ITCO)--commented that when he left it in 1978 it had no debts, and that the present government had bought land holdings for more than 200 million colons, of which it has only paid out 50 million colons.

"This policy is to be criticized, because the present indebtedness of 150 million colons is short-term, with accumulated interest of more than 20 million colons, and judicial proceedings have already been started against the institution," he explained.

This situation should be attended to within the emergency plan, so as to avoid paralysis of the IDA, said Mr Salazar.

Referring to the transformation of the ITCO into the IDA, he did not consider it significant, except that it would be given greater revenues--around 70 million colons--through taxes on liquors, soft drinks, beer and cigarette.

Mr Salazar declared that the new sources of income will not be sufficient for the task that lies ahead.

#### Illegal Land Holdings

The future official acknowledged that one of the main problems which the IDA must face is the illegal occupation of lands, and he firmly stated that actions of this kind will not be condoned.

"The IDA will not be the one who comes to put out the fire when de facto situations arise which are completely unauthorized," he added. By distribution of selected plots of land and lending the interinstitutional support which is needed to assist the groups of settlers IDA will steal the thunder of the groups of agitators who are encouraging illegal land occupation.

Mr Salazar believes that thousands of Costa Rican families will be able to contribute to production if they are provided with the means to work out a good level of income for themselves.

The future official thinks that rural development, given the present situation, has the greatest possibility of aiding groups on the margin of society, by permitting them to contribute to their own development and to that of the country by agrarian work.

"The central concept of our agrarian policy is to create opportunities in rural areas, and to allow the settlers to fully realize their human capacities," he added.

#### Agrarian Reform

Mr Salazar declared that the policy of the IDA should not be given the name of agrarian reform. "The important thing is for the institution to give out land to the people who want to work it," he asserted. He said that another of their objectives will be to study thoroughly the concept of regional development, which was used in the Oduber administration.

He gave as an example the case of four banana growing cooperatives which were set up in different regions of the country, resulting in excellent productivity.

One of these, he commented, is Coope Bataan, in Limon, which has assets of more than 60 million colons, and produces more than 30 million colons' worth of bananas each year, using only 250 of the 12,000 hectares which the settlement possesses.



The IDA will increase its encouragement of the regions of existing development, such as the one mentioned and Rio Frio, Coto Sur, the Moracia irrigation district and others. As far as is economically possible, the institution will create other settlements; but, he added, the already established regions must enter into a new stage which will include more settlement and support from the IDA.

The most important thing that we possess is good people and good land, he said in conclusion.

8131

CSO: 3010/1673



## RECOPE'S LARA EDUARTE COMMENTS ON DEFICIT, DRILLINGS

San Jose LA NACION in Spanish 24 Apr 82 p 4-A

[Text] The current administration of the Costa Rican Oil Refinery (RECOPE) will leave a 4 billion colon deficit to the future government, according to its general manager Mr Jose Antonio Lara Eduarte. However, Lara asserted that RECOPE has already begun a period of recovery from that deficit, because due to the rise in the price of hydrocarbons which was decreed last January it has made profits. He also reported that drilling for oil will possibly begin during the next government's administration, because an important part of the deep drilling equipment which Mexico has rented to our country still has not arrived.

## Deficit

Referring to RECOPE's deficit, Mr Lara Eduarte stated that the main reason for it was the rate of exchange, because for some time that company has had to buy dollars "in the street."

However, he added, starting from the time when the Central Bank decided to sell them dollars at the official rate the difficulty has decreased, but still the deficit at present amounts to 4 billion colons.

In any case, he added, RECOPE has already begun to recover from its losses; in March it made a profit of 80 million colons, which was the result of the most recent price adjustment which was carried out by the National Electricity Service (SNE).

On the other hand, he asserted that not everything would cause problems for the future administrators of RECOPE, because he says that he will hand over that company with completely renovated refinery, plant and pipelines, excellent labor-management relations and sufficient stocks of oil and fuel to last until the end of May, by which time the new government will have had sufficient time to carry out its purchasing and negotiations.

## Drilling

Mr Lara reported that this weekend the final portion of the main shipment of the machinery for deep exploration will arrive; but, however, many items of

that equipment are still lacking, so that he thinks it will be difficult for the drilling to begin before 8 May. In any case, he said the construction with the machinery which has arrived in the country has already been started in Watsi, where soundings at least 6,500 meters deep must be made to determine whether petroleum exists in this area. This work will take at least 250 days. Then the machinery will be transported to Tuba Creek, where there will be further exploration at 4,000 meters, taking 125 days. The cost of these explorations is around \$10 million, which is to be financed over a 20 year period at an annual interest rate of 2 percent.

8131

CSO: 3010/1673

## BUSINESSMEN TERM EDITORIALS 'UNFAIR' TO PRIVATE SECTOR

San Jose LA NACION in Spanish 25 Apr 82 p 8-A

[Text] The board of directors of the Chamber of Industry of Costa Rica represented by its president Mr Benjamin Piza Carranza, has made public some declarations of the position taken by the organization to counter the statements made in editorials published in this newspaper on 14 and 18 April, which they consider to be hostile, and unfair to the industrial sector.

"In the editorials, which analyze the subject of the structural change in the nation's economy and the prevailing political situation in Central America, industry is again attacked, using the same arguments as the liberal economists, who champion the ideas that the present government wanted to institute, with the well-known negative results," declared Mr Piza Carranza.

The position taken in these editorials, he added, is the same as that of the liberal economists, who are trying to attribute all the problems which the nation's economy is suffering to the system of protection which was adopted to permit the development of industry. In this regard it is important to point out that almost every country in the world, one way or another, has established protectionist measures in order to develop domestic production, the president of the Chamber of Industry commented.

The statement in one of those editorials, Mr Piza noted, that the industrial sector is "incapable of competing effectively in third markets" is totally contrary to reality, because if we analyze the figures on exports of industrial goods we notice a significant growth in sales to third markets, which has been achieved in spite of the accumulation of problems which must be faced.

In the opinion of the industrialist, this increase has come about despite the fact that the increase in credit to industry, measured in real terms, has undergone a decline, because "banking resources were mainly devoted to financing the public sector, to the detriment of productive activity."

Also, added Mr Piza Carranza, there is no validity at all in the assertion that "we do not have an exportable industrial supply, when, on the contrary, technical studies which have been carried out by different specialized international institutions and organizations show that there is sufficient

available installed capacity on hand to be able to increase production and exports, and that it is feasible to achieve it on the basis of the competitiveness and quality of the Costa Rican labor force.

The thing that has been lacking as far as exports are concerned is the encouragement and definite support of the government of the republic, he emphasized.

Industry considers it essential to retain the Tax Installments Certificate (CAT) as a factor to permit adequate competition in foreign markets with products from other countries which have dynamic promotion policies and efficient and competitive transportation systems.

The industrial sector here, the president of the Chamber of Industry said, must face up to the shortage of foreign exchange, which forces it to resort to the parallel market for purchasing raw materials, among other things.

He also mentioned the taxes which are a burden on exports, "they greatly affect the competitiveness of our nation's industry as a whole."

In this regard the Chamber wishes to reiterate its viewpoint concerning the advantageousness of re-examining tariff protection and the system of tax incentives, provided that the political conditions are right.

What this sector has been opposed to, declared Mr Piza, is the procedure which the current government has used: of negotiating tariff policy with an attitude which was totally removed from economic reality. Industry, he added, is prepared to participate and collaborate in the re-examination and negotiation of the aforementioned policy and of tax incentives, with an attitude favoring development, which would have as a basic objective the stimulation of production and exports, and not the destruction of the manufacturing sector, which has produced important benefits as well as giving direct employment to more than 120,000 persons, generating 36 percent of the country's foreign sales, and producing important tax revenues.

"The Chamber of Industry wishes to place on record its concern about the attitude taken by the editorial policy of the newspaper LA NACION, which it seems to us, although it is considered to be a serious publication, does not follow a well thought out position, since it gives the impression of having an attitude of hostility toward industry, when on the contrary--as we face a serious economic and social crisis the likes of which have never before been seen in this country--a positive attitude is necessary, so as to bring about the conditions which will allow us to revitalize the productive sector and to prevent greater worsening of the crisis, which could in the end destabilize the institutional system and the democratic tradition of the Costa Rican people," Mr Piza Carranza stated in closing.

8131  
CSO: 3010/1673

## STATION CONDEMNS 'SHAMEFUL' ARGENTINE DEFEAT

PA172000 San Jose Radio Reloj in Spanish 1700 GMT 16 Jun 82

[Station commentary]

[Text] The worst ridicule Argentina has ever experienced was its shameful withdrawal from the Malvinas. The unconditional surrender of the 16,000 Argentine soldiers, and the ridiculous claim that it was due to a British victory supported by the United States, is the biggest fallacy we have ever heard.

The Argentine dictatorial regime has suffered the biggest setback of its history and its downfall is a matter of hours, just as we predicted from the beginning. The defeat was so spectacular that even Fidel Castro made a fool of himself, rushing to join forces with the Argentine extreme rightist military regime. Since now both Fidel and Galtieri have been defeated and ridiculed.

We celebrate the Argentine defeat because it is the defeat of an alliance between the extreme right and the extreme left, an alliance between the Argentine and Cuban military forces, an alliance with communist Russia, which tried to take advantage of the clumsy maneuvers of a regime of rightist extraction. It was like an alliance between the white hand of Argentina and the red hand of Moscow.

The Argentine people now have the right to have a civilian government. The Argentine people must now negotiate the independence of the Malvinas with intelligence and good sense.

Latin America has been let down by the Argentine dictatorship and Latin American ideals suffered the biggest deception in their history.

Just as the Argentine Government made a fool of itself, so did the U.S. State Department in Washington leave a bitter taste by its clumsy attitude. The State Department should have never given its support to England. The wisest thing would have been for the United States to have remained neutral and offered its efforts as mediator.

This big mistake will never be forgotten or erased in the difficult history of relations between the United States and Latin America.

There is, however, a rich baggage of experience left from all this, which should be carefully analyzed for the future.

CSO: 3010/1719

## POLL REVEALS 9.2 PERCENT UNEMPLOYMENT RATE

San Jose LA NACION in Spanish 25 Apr 82 p 6-A

[Text] The country's rate of open unemployment stands at 9.2 percent, according to preliminary data from last March's nationwide Homes, Employment and Unemployment Poll.

This means that 78,300 people, including those who do not have a job and those who are looking for one for the first time, are unemployed. Last November the rate was 8.7 percent, which means that an increase of .5 percent in the unemployment rate took place in March.

According to the data, the country generated 50,000 jobs in a year, or double the number that are usually produced in that time period.

## Unemployment

As for the figure of open unemployment (persons who do not work at all and wish to do so), the poll shows that there was an increase of 1,600 unemployed people over the previous November, and of 21,100 in relation to March 1981.

It can be seen that there has been a slowdown in the growth of this situation compared to what took place in March and July 1981.

The total number of employed people is estimated at 772,900 persons, which is 36,000 less than in November, but 53,200 more than in March 1981.

The poll shows that in March a year ago the situation was the worst in the past 7 years, from the point of view of generation of employment. In accordance with the data, the rate of open unemployment went from 8.7 percent in July and November 1981 to 9.2 percent in March of this year, which is the highest figure which has been recorded since the system of Home Polls was begun in July 1976.

It also shows that from November to March the unemployment rate fell from 10.7 percent in the urban zones (metropolitan areas), although it rose from 6.8 to 8.4 percent in the rural areas.

## Turning Tide

However, from last November to this March a reversal of the trend in the growth of employment was noted.

According to the information, the increase in the number of employed people from March to March is usually on the order of approximately 25,000 persons, which did not happen in the previous year; but between March 1981 and March 1982 the number of employed people rose by more than 50,000, or by the equivalent of the increase in a 2 year period. In absolute numbers, the number of unemployed persons fell by 2,200 in the urban areas, and increased by 3,900 in the rural area.

The final figures in the poll will be released this May, and it is hoped that they will reveal some aspects of the level of underemployment (persons who do not work a full day, or only occasionally), employment by economic sectors, and the origin of the unemployment.

The polls, which are taken every 4 months by the main office of Statistics and Censuses and by the Ministry of Labor, cover the whole country, and include the population 12 years and over, employed and unemployed.

### "Encouraging"

Regarding the increase in the number of employed persons, Mr Serrano stated that he is "encouraged to see how the nation generated more than 50,000 new jobs in a year, despite the crisis and economic problems.

"Our problems are serious, but they will only be overcome by means of work; and the above data shows that the Costa Rican citizens understand this," the official stated in closing.

8131

CSO: 3010/1673



## COMMUNIST LEADER ON SITUATION IN URUGUAY

PA182346 Havana International Service in Spanish 0000 GMT 18 Jun 82

[Interview with (Ofelia Hernandez), member of the Central Committee of the Communist Party of Uruguay, PCU, during her visit to Cuba to participate in a ceremony held in solidarity with the Uruguayan people by Pedro Martinez Pirez; place and date not given--recorded]

[Excerpts] [Question] (Ofelia), you were imprisoned from 1975 to 1980. Two years have passed since then. What basic changes do you think have taken place within Uruguay and abroad, from the viewpoint of the organization of Uruguayans in exile?

[Answer] Although I went directly from my cell to the airplane and on to Switzerland, I can say that I am deeply impressed with the degree of organization and political maturity of Uruguayans in exile, especially when compared to historical accounts left by other exiles. I feel that very important steps have been taken in these 2 years, particularly in the context of political unity, from the viewpoint of what the broad front means today, both to those in exile and, I think, to people inside the country. In one way or another, we have helped to generate what is now an overwhelming fact of life inside Uruguay: Our people's spirit of unity. That spirit has been forged during years of struggle and it was the spirit that prevailed, that made 30 November possible, that said emphatically: No to dictatorship, no to the imposition of military rulers of our people and no to constant repression and torture. I believe that these 2 years have been crucial in this and in many other respects. I feel that, throughout the world, Uruguayan exiles are perceived as serious, organized and responsible people who are preparing to return to Uruguay.

[Question] (Ofelia), one of the basic objectives of the activity in solidarity with Uruguay being held in Cuba is to demand the release of some 1,500 political prisoners. These include Gen Liber Seregni, who is a symbol, Raul Sendic, (Hector Rodriguez), and others.

[Answer] To generalize, I could say initially that General Seregni is a symbol of all of the prisoners and that his release would, to some extent, represent the initial step in the release of all Uruguayan prisoners. It would represent

the beginning of a true process of democratization that does not as yet exist and that is the aspiration of all Uruguayans.

However, we believe that all of the other companeros that you mention, the leaders of diverse political groups who are among the distinguished companeros in jail today, represent the interests of our people to some extent; they are simply the victims of their own ideas and of the efforts that they make to defend those concepts.

We know that in most cases they are not in good health and that they are victims of the dictatorship in yet another sense, because they are denied the necessary medical attention, among other things. That is why we feel that it is mandatory to demand their release, which is an indispensable prerequisite to the truly democratic beginning that we should impose in the country.

[Question] In other words, (Ofelia), there cannot be a true political dialogue in Uruguay while there are 1,500 persons in jail?

[Answer] True. There have been political talks so far. An effort is being made to develop these talks into a true dialogue. There can never be a real, authentic process of democratization while there are so very many valuable people in jail--companeros who have risked and given their lives in defense of the fatherland. [as heard]

[Question] Does the Gregorio Alvarez dictatorship have any options?

[Answer] His only choice is to surrender power. He has no other alternative.

CSO: 3010/1735

## CASTRO ATTENDS LOCAL GOVERNMENT ORGANS MEETING

FL181158 Havana Domestic Service in Spanish 1000 GMT 18 Jun 82

[Text] Commander in Chief Fidel Castro, first secretary of the party and president of the Councils of State and Ministers, has attended the 12th meeting of the [Council of Ministers'] office for servicing local people's government organs with the chairman of the provincial executive committees.

Also present at the meeting were Faustino Perez, who was in charge of the meeting; Osvaldo Dorticos and Armando Hart, members of the Politburo; Flavio Bravo, president of the People's Government Assembly; and Central Committee members Jose A. Naranjo, Jorge Lezcano and Luis Orlando Dominguez.

Fidel exchanged views with the participants and asked about the various points on the agenda. He made comments and observations about the latter. He noted that the favorable economic situation we are experiencing as a result of the world capitalist crisis and low sugar prices made worse by the imperialist blockade, must be confronted with all resources available.

He said that greater efforts and the spirit of economizing are required as well as an efficient control of all the country's activities. Despite difficulties, we are making progress, he said. We shall win this battle, Fidel reasserted.

Another topic our top leader made much of was camping for the people. He estimated that there will be 200,000 vacationists next year and that the figure might be exceeded in some provinces because of their favorable conditions. Fidel said that more than 100,000 took part in camping activities this year. He estimated the 1985 figure at half a million.

Fidel urged the presidents of the people's government provincial assemblies to wage a resolute fight against all manifestations of corruption and added that corruption is inadmissible in a socialist system.

After listing some of the achievements of the revolution, Fidel asserted that regardless of any difficulty, the people will be assured of food and medicine. Emphasizing this point, he said that we must continue to improve medical services.

Fidel pointed out that local industries solve many problems for the population and therefore must be developed to their fullest potential.

Some aspects of agricultural-livestock cooperatives were discussed at the meeting. The need to keep a close working relationship between the cooperatives and the people's government organs was emphasized. Some matters were also examined in connection with the organization of the free peasant markets. Opinions were voiced on the implementation of measures to improve the markets' operation taking into consideration the proposals made at the Sixth ANAP [National Association of Small Farmers] Congress, particularly those made by Fidel at the close of the congress.

Other important topics were discussed such as rural electrification with the assistance of the people's government and the possibilities of developing handicrafts at the cooperatives in coordination with local enterprises.

Justice Minister Osvaldo Dorticos was a guest at the meeting and reviewed his ministry's work relations with the people's government local organs. Other speakers were Carlos Lage, secretary of the Union of Young Communists; Culture Minister Armando Hart and Food Industry Minister Alejandro Roca. They reported on the activities of their organizations and ministries.

CSO: 3010/1734

## BRIEFS

RAINS DAMAGE RAILROADS, AIRPORT--The people of Havana, after experiencing difficult hours due to the heavy rains that hit the western region on Friday and Saturday, yesterday began an intensive campaign to repair the heavy material damages caused by the atmospheric phenomenon. Commander in chief Fidel Castro, first secretary of the party Central Committee and president of the Councils of State and Ministers, conducted an extensive tour on Saturday and Sunday through the damaged areas of Havana. Fidel inquired about details of damages suffered, and about possible temporary and emergency measures. Preliminary reports show that in the transportation sector, the railroads were the most severely affected by the heavy rains, in particular the western division of the railroads which include Pinar del Rio, Havana, Havana City and Matanzas Provinces. At Jose Marti International Airport, all the national flights were cancelled and the international flights were delayed as a result of the torrential rains. The airport runway was flooded for a length of some 600 m. Similarly flooded was one of the approach runways at one end of the airport and one of the lateral taxiways. The areas where construction had been underway for expansion of the airport were practically covered by water and the entire lighting system of the landing and takeoff runway was in the same condition. [Excerpts] [FL212015 Havana Domestic Service in Spanish 1700 GMT 21 Jun 82]

SUPPORT OF PLO, LEBANON--Due to the recent escalation [in the aggression] of the Israeli Zionists, the permanent secretariat of the Continental Organization of Latin American Students [OCLAE] has called on the student movement in Latin America and the Caribbean to step up all efforts in defense of the Palestinian and Lebanese peoples. The communique released in Havana states that the revolutionary, progressive and democratic students of the continent are side by side with the Palestine Liberation Organization and the Lebanese national movement which are waging heroic battles against the Zionist aggressor. [Text] [FL191149 Havana Domestic Service in Spanish 1100 GMT 19 Jun 82]

CREDENTIALS PRESENTED TO POPE--Pope John Paul II today received the new Cuban ambassador to the Holy See, Manuel Estevaz Perez who presented his credentials. [Text] [FL211805 Havana Domestic Television Service in Spanish 1700 GMT 21 Jun 82]

CSO: 3010/1734

## BRIEFS

ELECTORAL BOARD EXPLOSION--Santo Domingo, 18 Jun (AFP)--A bomb explosion at the Central Electoral Board (JCE) building in this capital has killed 4 and wounded 12, including 3 soldiers. The bomb was placed there by terrorists. The blast took place at noon on Friday while the JCE discussed challenges of prejudice filed against the 16 May general elections. At least a dozen persons, including civilians and enlisted men and women, were wounded, several of them so badly that there is fear that the list of deaths may increase in the next few hours, it was reported. Gen Jose Paulino Reyes de Leon, the Dominican police chief, went to the site of the incident and took over the investigation. He noted that "we were aware of the existence of such terrorist plans." An unconfirmed report here said that two former military officers, supporters of former reformist President Joaquin Balaguer's regime, were connected with the incident. Balaguer lost the May elections to official candidate Salvador Jorge Blanco (Social Democrat). [Text] [PA182249 Paris AFP in Spanish 2207 GMT 18 Jun 82]

CSO: 3010/1736

## BRIEFS

UNC'S SUPPORT FOR GOVERNMENT--Tegucigalpa--Over the past weekend, the National Union of Peasants [UNC] reaffirmed its full support for the agrarian reform plans drafted by the liberal government. This is the first time that support of this kind has been extended to any government by that peasant organization. The organization is considered the most controversial local peasant group. UNC Secretary General Marcial Euceda praised the plans of the National Agrarian Institute, particularly its plan to turn lands over to organized groups. However, to avoid departing from tradition, the peasant leader said that there are still landowners who oppose the institution's decisions regarding the recovery of lands. The UNC's statement of support for the liberal administration was made on Friday in conjunction with the organization's presentation of a request for recognition of its legal status to Oscar Mejia Arellano, government and justice minister. In this regard, it was announced that a decision will be made on this request sometime this month. This decision is expected to consolidate the close ties of friendship and understanding existing between the present government and the UNC, which, until a short time ago, was considered to be "belligerent." [Text]  
[PA152353 San Pedro SULA LA PRENSA in Spanish 14 Jun 82 p 5]

CSO: 3010/1719



SPEECH BY AMBASSADOR TO U.S. IN SAN DIEGO DRAWS FIRE

PPS, PSUM Reject Statement

Mexico City EL DIA in Spanish 27 May 82 p 3

[Article by Jose Luis Camacho]

[Text] There are no similarities of any sort between the United States and Mexico. Throughout its history, our country has been constantly assaulted by the governments of that nation. This is the view expressed yesterday by official spokesmen for the Unified Socialist Party of Mexico (PSUM) and the Popular Socialist Party (PPS).

The two statements were made concerning the speech given on 23 May at the University of San Diego by Bernardo Sepulveda, the Mexican ambassador to the United States.

The PPS spokesman stated, "Unfortunately, there are many Mexican diplomats who overdo their diplomatic conduct, particularly when the United States is involved."

"The struggle of an imperialist country like the United States has nothing to do, inherently, with the struggle of a semicolonial country half of whose territory was snatched away by that very country."

The Popular Socialist representative went on to term it "absurd for a Mexican ambassador to express that kind of idea on North American soil. It's a statement of clear submission that the Mexican people should vigorously reject."

"Ever since the United States began to expand as a nation, they have grown through the purchase or the usurpation of territory. Mexico has suffered the unhappy consequences of nearness to a country that quickly became the largest imperialist system in the world.

"We've endured an extraordinary number of interventions and attacks from there, and as a result our relations are not at all warm geographically, politically, economically, or culturally.

"We're the country that has been assaulted most by the American imperialists."

The PSUM spokesman asserted that the North American imperialists' interests can never coincide with those of Mexico because our people have faced constant aggression.

"The interests of the people of this nation"--the PSUM press committee statement said--"may coincide with the interests of the North American people, but never with their government's interests."

Regarding the attacks, the statement focused on the so-called "Operation Jobs"; "It constitutes a sign of the interests that actually set the U.S. Government against the Mexicans who go to that country to work.

"We've demanded that the Mexican Government call for a bilateral pact to guarantee the rights the Mexicans have in the United States as workers."

As for the National Action Party, its spokesman said that the similarity lies basically in the federal political structure, "and only there."

"With regard to the developmental structure, there's a vast gap. In North America, they can solve their problems effectively. In contrast, Mexico's system of development has increased the poverty of the people, of the most underprivileged social classes, and it's a system that has not achieved social justice."

National Action's spokesman expressed the opinion that there is no similarity at all between Mexico and the United States. The Mexican ambassador, he went on, "perhaps said it in a moment of euphoria."

The two economic models are very different. Mexico has to export braceros. "If its development were similar to that of the United States, it already would have solved many of its problems."

#### 'Ambassador Has Sinned'

Mexico City EL DIA in Spanish 27 May 82 p 4

[Commentary by Jose de Villa; words enclosed in slantlines printed in boldface]

[Text] The Mexican ambassador to the United States, Bernardo Sepulveda Amor, has sinned. He has committed the sin of ignorance of national history. He has committed the sin of political insensitivity and lack of perception with regard to the terms and nature of the traumatic relationship between an imperialist nation and another nation that aspires to live in liberty, respecting all the countries on Earth while demanding their due respect in turn. However, his greatest sin has been to ignore the unequal, unjust relationship between the United States and Mexico and, consequently, to abuse thus our national decorum and dignity.

We cannot be exactly certain whether the speech he delivered at the University of San Diego was the result of his own distorted view of things or, worse yet, whether he was following instructions from the Secretariat of Foreign Relations to burn the ships of our national history and walk the paths of total amnesia.

When expressing his gratitude for the opportunity to return to academia (in this case the University of San Diego), Sepulveda Amor said that the teaching and research at that school "is taking place in a state of the American union that, because of its /history/ and its border is /closely linked/ with manifestations of life and culture in Mexico." Mr Sepulveda is forgetting that the present states of California, Nevada, Utah, Arizona, Colorado, New Mexico, and Texas were Mexican territory, linked historically, closely, and originally with our country. They were taken from it by violence, in accordance with the law of the jungle. It is that simple.

Sepulveda Amor also said, "The difference between the national purpose of Mexico and that of the United States is, /more than an expression of unlike political philosophies,/ the result of two different worlds of economic structures, of financial and technological capacity, of natural resources and of participation in the economic development of the international community." Here Mr Sepulveda slipped. Actually, the nature of a national purpose is no more than the precise, rigorous, and complete expression of a perfectly well-determined political philosophy, both in its content and its scope. At all times and places, it reflects a unanimously held view of things, and, in order to be realized, it necessarily includes the required resources and methods.

Mr Sepulveda Amor would do well to recall the following factors, which clearly and surely show that the United States has in the past viewed, now views, and will continue to view Mexico as a source of booty, as a place to rob or to exploit to the fullest: 1) Andrew Jackson wrote: "Security, along with perpetuation of our glorious union, depends on that country's (Mexico's) drawing back to Louisiana's old limits." 2) Martin Van Buren, American secretary of state, told Joel R. Poinsett on 25 August 1829, "The president wants you to immediately open negotiations with the Mexican Government for the purchase of the province of Texas as described here, or the part of it that it can be induced to cede to us . . . including all the province's Mexican inhabitants." 3) Two decades before the war of secession, as a sign of the pragmatism and foresight of a nation that was born, and continues to be, a pirate, David Wilmot, the Democratic representative from Pennsylvania, introduced a proviso according to which slavery was forever prohibited "in any territory that might be taken from Mexico." 4) In keeping with this, the United States' national design, a worthy-expression of a decidedly hegemonic and violent political philosophy, its minister in Mexico, Waddy Thompson, would in time declare: "Our language and our laws are destined to occupy this continent; I consider it more certain than any other future event."

In short, what matters is that there are historical records and a collective memory that contradict the incredible statements made by the current Mexican ambassador to the United States. He should learn and relearn, so that his views will be not close but rather adapted specifically to the reality of a relationship between the United States and Mexico that, contrary to his unfortunate remarks, has neither brought nor brings now "numerous benefits" to Mexico.

Sepulveda Amor's statement requires a full, thorough explanation, for the different elements composing it cannot fail to astonish us and arouse concern. For example, what did he mean by saying, "The asymmetry of this political framework of relations between the United States and Mexico explains, in a fundamental way . . . their international relations, including those involving /security/ and those of a /geopolitical/ nature"?

How unfortunate and mistaken his speech was! The genocide in Vietnam and El Salvador is now explicable; the invasion of the Dominican Republic and the pressure exerted on Nicaragua are now explicable; the tuna embargo against Mexico is now explicable; as are the persecution, humiliation, jailing, and deportation of Mexican migrant workers; and the salinity in the Mexicali Valley, the high duties on our exports, the introduction of new CIA agents into our country, as well as the denunciation, in practice, of the commitments subscribed to in the Inter-American Reciprocal Assistance Treaty and those set forth in the Treaty of Tlatelolco, and so on.

U.S. President Cleveland established it well on 17 December 1895 through his Department of State: "Today the United States is practically sovereign on this continent"; and it seems as if Mr Sepulveda Amor continues to view it in those terms.

The Mexican ambassador states: ". . . /we haven't/ been able to eliminate the obstacles that arise from economic and political strategies with different objectives and views on the nature and meaning of relations between the two countries." As a matter of fact, the statement is correct, except that it offers a falsehood. /Who hasn't/ been able? Is it Mexico, then--which depends economically on the United States, for both its imports and exports; which endures all sorts of pressure because it adheres to its peaceful policy; which fails to receive millions of dollars because it attempts to exercise sovereignty over its own seas; which is the victim, on its own soil, of political and economic destabilization hatched in Washington? Or is it perhaps the United States, the same one that invaded us in 1914, that brought about the infamous Pact of the Embassy, that carried out the insolent "Pershing punitive expedition," and that contracts the work of thousands of Mexicans at extremely low wages and earns \$10 for every dollar invested?

What does Sepulveda Amor want, to have said: "The most /generous/ contribution that Mexico can make to /harmonious/ relations with the United States is the strengthening of its own economic stability and its political system"?

9085

CSO: 3010/1668

## BRIEFS

COMMENT ON NAVAL STRENGTH--Mexico has over 100 ships to guard its coasts, "and, although that is not enough, the number will rise as the economic situation allows." This statement was made yesterday by Adm Humberto Martinez Najera, director of ship construction for the Secretariat of the Navy, as he left for Spain to take possession of the coast guard ship "Angel Ortiz Monasterio" at the port of Cadiz. Martinez Najera said, "During the administration of President Lopez Portillo, the Mexican Navy's coast guard fleet grew 23 percent, 12 percent accounted for by ships purchased abroad and 11 percent by ships built at the Secretariat of the Navy's shipyards." He went on to say that the coast guard cutter "Admiral Angel Ortiz Monasterio" is one of the six built at the Bazan shipyards at San Fernando, near the port of Cadiz, and that it will be placed in service along the Mexican coast in June. [By Jaime Duran] [Text] [Mexico City EXCELSIOR in Spanish 2 May 82 p 38-A] 9085

CHICHONAL: SHORTAGE OF MEDICAL CARE--Tuxtla Gutierrez, Chiapas, 29 Apr--Eleven children have died in the shelter for victims of Chichonal, and hundreds more are sick, as a result of the inadequate care by medical personnel from the social security department, the ISSSTE [Institute of Social Security and Services for Government Workers], and the Secretariat of Health and Assistance, Julio Alvarado Gutierrez, coordinator of the Program of Aid for Victims, has charged. He said that the state government chose to contract for medical services of private hospitals and sought aid from students at the Autonomous University of Chiapas Medical School when sickness among peasants affected by the Chichonal eruptions increased recently. The children died of malnutrition and gastrointestinal disorders, in addition to bronchitis, he reported. "They died when they didn't get proper care." He asked the appropriate authorities to "punish the doctors responsible for the problems because of their lack of solidarity with our fortunate brothers." Regarding the volcano, its activity is minimal. Military units are continuing to search for bodies in the area of Chichonal. Gen Mario Trujillo, chief of the 30th Military Zone, headquartered at Villahermosa, reported that there are still some 6,000 victims at shelters in Tabascan communities. Salvador de la Cruz, vulcanologist at the Geophysics Institute of the UNAM [National Autonomous University of Mexico], stated that they hope another violent eruption does not occur. The leader of the small landowners in the Tabascan area near Chichonal, Jorge Suarez, denied that large numbers of livestock had been killed. [Text] [Mexico City EXCELSIOR in Spanish 30 Apr 82 p 5-A] 9085

TRADE BALANCE WITH CANADA--Mexico City, 10 Jun (NOTIMEX)--The Canadian Embassy in Mexico has announced that trade between Canada and Mexico in 1981 resulted in a balance of 285 million Canadian dollars favorable to Mexico. Trade between the two countries totaled 1,715,000,000 Canadian dollars. Mexico exported 700 million Canadian dollars worth of oil in addition to 300 million in vegetables, fruits, meat and fish, among other products. Canada sold a total of 715 million Canadian dollars worth of steel, powdered milk, pulp and paper for newspapers and sugar. It is expected that this trade balance will be maintained during the present year. [FL111235 Mexico City NOTIMEX in Spanish 0200 GMT 11 Jun 82]

CSO: 3010/1720

## D'ESCOTO ADDRESSES UN SECURITY COUNCIL SESSION

## Arms Buildup Denied

PA171645 Managua Domestic Service in Spanish 0300 GMT 17 Jun 82

[Excerpt] Nicaraguan Foreign Minister Miguel D'Escoto spoke at the special session of the UN Security Council in Washington this afternoon. [Sentence as heard] He said that Nicaragua announces its willingness to hold high-level talks with chiefs of state of the Central American area to discuss the arms buildup.

Father D'Escoto explained that Nicaragua does not see the brother countries that the United States and its Reagan administration want to impose on our defense, which is our legitimate sovereign right.

Here we have a report by (Jorge Ulate Segura) from the United Nations:

[Begin relay] The Nicaraguan representative spoke at one of the sessions of the UN Security Council's special period to seriously question the United States which, although big and powerful, sees Nicaragua as a threat. That is what D'Escoto said:

[Begin recording] It is absurd that the United States--a country which is involved in the largest arms buildup in the history of mankind; a country that demands that its allies arm themselves even more than what they deem adequate and necessary; a country that is devoted to the production of the neutron bomb and the MX missile and has 20,000 planes of various types, 70 nuclear submarines, more than 300 military bases spread throughout the world and more than 500,000 soldiers stationed outside its borders and a country that is, therefore, not truly threatened by anybody--insists on accusing Nicaragua of being involved in an arms buildup. It is absurd that this country intends to deny us the sovereign right to cover the minimum needs of our nation's defense, which it has repeatedly attacked and threatened. [End recording]

Nicaragua, through the foreign minister, once more rejected the U.S. expressions, accusations and intentions stated by U.S. State Department spokesmen. Father D'Escoto said:



[Begin recording] We reject the attempt to try to impose humiliating and unacceptable restrictions on our right to prepare ourselves for the defense of our fatherland. This is an inalienable right of any sovereign country which must be exercised in proportion with the real dangers of aggression looming over each country. Regarding this, we must recall that ours is the only Central American government that is militarily threatened by the United States. Therefore, without intending to prepare ourselves to defeat it in its own territory, we must prepare ourselves to defend ourselves in our own. [End recording]

Our foreign minister said that by approval of the UN General Assembly, the survival of a state depends on the defense it has and Nicaragua is only meeting the needs of its legitimate defense.

[Begin recording] It must be admitted that in certain cases, the survival of states has depended on their ability to count on appropriate defense means. Nicaragua is only meeting the needs of its legitimate defense and security. For this reason, we reject the false description that the Reagan administration made of our defense policy as an arms buildup policy. We criticize the effort that this administration is making to sow fear among other Central American governments, because Nicaragua is adequately preparing itself to defend itself in view of the imperialist threats.

Nicaragua also rejects and describes as dangerous and biased Washington's insistence on artificially placing the Central American crisis within the framework of the East-West problems thus justifying its military assistance to fascist regimes and counterrevolutionary forces just because they declare themselves anticommunist. [End recording]

We do not see any Central American country as an enemy, although we know that there is interest in using these countries to attack Nicaraguans. On the contrary, we propose a meeting of Central American leaders or chiefs of states to discuss the arms issue.

[Begin recording] The Reagan administration is accusing us of trying to destabilize our neighbors, when the truth is that the only country being destabilized is Nicaragua. We have categorically stated that our country will never use its weapons against any country, much less against any brother country of Central America or the Caribbean. In recognizing the danger of the arms race in our region, we want to say that we are willing to participate in a very high level meeting of Central American leaders on the arms buildup. This means that we do not consider any Central American country an enemy. We are not arming ourselves against them, although we know that there is interest in using some of them to back U.S. interest in preserving its hegemony in the area by attacking Nicaragua. [Applause] [End recording] [End relay]

More On D'Escoto Address

PA171905 Managua Radio Sandino Network in Spanish 1200 GMT 17 Jun 82

[Excerpt] United Nations--Nicaragua has reiterated its support for the peace initiatives for Central America proposed by Mexico and its willingness to participate in talks in order to ease tensions in the area.

Nicaraguan Foreign Minister Miguel D'Escoto said that the best contribution which Washington can make for peace, but which it hasn't made, is to simply recognize that what happens in Nicaragua and El Salvador and the winds that blow in the area do not represent a threat to the United States or any other country.

The minister, who is attending the special meeting on disarmament, added that the many efforts to have peace and stability in the region should not be frustrated. It is time for Washington to understand, D'Escoto noted, that its military and political intervention in El Salvador, its refusal to discard the use of force against Nicaragua, its spy flights over this country and the presence of its warships are leading Central America to a war which would go beyond a subregional conflict.

D'Escoto called for a stable and lasting peace in the world. He referred to the allegedly solved Malvinas problem, where superior British forces supported by U.S. technology imposed their will. Our ambassador also referred to the Lebanese conflict created by the Israeli incursion. This problem, although occurring in an area far from Latin America, also affects international stability.

CSO: 3010/1717

## TIRADO MARKS BATAHOLA MASSACRE ANNIVERSARY

PA170209 Managua Radio Sandino Network in Spanish 1200 GMT 16 Jun 82

[Text] Yesterday Victor Tirado Lopez, commander of the revolution, closed the ceremony in honor of the heroes and martyrs of Batahola, who were massacred by the genocidal forces on 15 June 1979. Commander Tirado stressed that the Batahola massacre can only be compared with the Somozist massacres of over 3,000 members of the peasant movement in 1965 and 1966, because they were struggling for their aspirations.

Commander Tirado said that we must preserve the victory that we achieved on 19 July 1979 so that we can carry on with our revolution. Commander Tirado said that we must not forget this massacre because it is part of a process that has been carried through the struggle of many people. Here is part of the speech by commander Tirado at the ceremony to honor the martyrs of Batahola:

[Begin recording] We achieved victory on 19 July 1979. This was just the first step. It did not mean that we overcame the underdevelopment and the legacy that the dictatorship left us. It means that our efforts must be doubled, tripled, quadrupled because as this revolution advances and becomes stronger, the enemies will also try to destroy it. As this revolution becomes economically consolidated, the enemy will try to economically destabilize it. As this revolution becomes politically consolidated, the enemy will try to politically destabilize it. This revolution created a vanguard forged in the heat of battle. That vanguard is called the FSLN. The enemies are also trying to destabilize this vanguard.

Our efforts, struggles and experience of more than 20 years force us to remain as the vanguard and as guide and leaders of this process. Democracy cannot be measured in the terms or guidelines of our enemies. We are going to measure democracy in accordance with the guidelines and economic and political needs of our people. [End recording]

CSO: 3010/1718

## ROBELO'S ACTIONS TERMED 'PSEUDODEMOCRATIC COMEDY'

PA180010 Managua Radio Sandino Network in Spanish 1200 GMT 17 Jun 82

[Text] The last act of the pseudodemocratic comedy that reactionary leader Alfonso Robelo has been playing in recent months was staged in Panama yesterday with his announcement that he has joined the armed counterrevolution. Accompanied by radio station owner Fabio Gadea Mantilla and other well-known Nicaraguan reactionaries, Robelo announced his definite participation in counterrevolutionary organizations. He said that he will soon formalize his alliance with another well-known traitor to Sandinism. Robelo said that he is ready to fight the FSLN, arguing that there are no guarantees for civic struggle in Nicaragua.

Thus, Alfonso Robelo unmasked himself even further in Panama yesterday. He was left naked and swimming openly in the putrid waters of the counterrevolution against Nicaragua, which is sponsored by U.S. imperialism. Robelo left Nicaragua in May and made statements against the revolutionary process in Costa Rica. But yesterday, in a press conference at the luxurious Panama Hilton Hotel, he said that, along with the traitor to the people and to Sandinism [reference to Eden Pastora], his movement will use violence against the Sandinist people's revolution. Robelo stressed that the two of them had been holding talks for some time.

Furthermore, without any shame, he proudly announced that he agrees with U.S. imperialism's policy toward the Nicaraguan revolutionary process. In other words, he implied that he has always agreed that the United States should cut off the loans to Nicaragua and stop the supply of wheat; that the CIA should blow up bridges and try to destroy the cement factory and the refinery, in order to set fire to Managua; and that it should provide support and weapons to the genocidal Somozists in Honduras. In other words, Robelo agrees with the murder of our people by the Somozist bands. And of course, if he agrees with the traitor, things could not be clearer. All of the counterrevolutionaries, the traitor, the Robelos, the Negro Chamorro, the Fagoths and all the genocidal Somozists who continue to murder people are in the same bag, though wearing different costumes, and all of them are fed by Yankee imperialism's dollars, naturally.

The international news agencies that reported millionaire Alfonso Robelo's press conference indicated that the MDN [Nicaraguan Democratic Movement] leader was accompanied by Fabio Gadea Mantilla, who had secret business with none other than Samuel Genie, chief of Somoza's sinister security force, during the Somozist past.

CSO: 3010/1718

## ENVOY STRESSES WILLINGNESS TO NEGOTIATE WITH U.S.

PA172314 Managua Radio Sandino in Spanish 1830 GMT 17 Jun 82

[Text] The next move is up to the Reagan administration, as far as advancing bilateral negotiations with Nicaragua is concerned. The National Reconstruction Government is willing to discuss not only the eight points outlined by Washington but any others that might arise, as long as they are seriously proposed. These statements were made today by Francisco Fiallos Navarro, the Nicaraguan ambassador to the United States, during a press conference with national and foreign newsmen at the Foreign Ministry.

Fiallos, who is in the country to meet with the government junta and FSLN leaders for an analysis of the current status of relations with the United States, said that the real possibilities of advancing in the negotiations are slim and that Nicaragua is waiting for a reply from the United States. Fiallos stressed that any examination of Washington's proposals must be accomplished in accordance with Mexican President Lopez Portillo's proposal, which still has Nicaragua's total support.

Fiallos is going to meet with officials of the country's financial institutions, such as the Central Bank, the International Reconstruction Fund and the Foreign Trade Ministry, to discuss the possibility of increasing current relations between Nicaragua and the United States.

At the press conference today, Fiallos said that during his brief stay in Managua he, the government authorities and the FSLN will review the current status of our relations with Washington. He stressed Nicaragua's willingness to begin negotiations at any time and said that the talks must be held in Mexico, taking advantage of President Lopez Portillo's offer.

Fiallos said that the incident provoked by the presence of a U.S. warship in Nicaraguan waters is another issue that must be borne in mind during the development of bilateral relations, due to the U.S. Government's refusal to admit that it has violated Nicaraguan sovereignty.

The U.S. position on the conflict in the South Atlantic over the Malvinas Islands has damaged Washington's ties with the Latin American continent, Fiallos said. This might make the U.S. diplomats more reluctant to move

forward in the negotiations with Nicaragua, due to the weakened U.S. position in relation to the nations of the continent.

Fiallos added that the Malvinas conflict has demonstrated the U.S. ignorance of Latin American reality and has revealed serious internal differences as well. He said that the conflict also enabled the Central American countries to better assess the U.S. position toward the problems of the continent.

CSO: 3010/1718

## BRIEFS

FOREIGN DEBT PAYMENT--Managua, 15 Jun (ACAN-EFE)--Nicaragua paid \$35.8 million to international private banks today in partial payment of the foreign debt left over from the Somozist era, which totals to \$1.6 billion. Luis Enrique Figuerola, president of the Central Bank of Nicaragua, noted while making the announcement tonight that the country is meeting its international commitments, despite the serious difficulties facing the entire nation. The Nicaraguan official stressed that the revolutionary government wants to confirm its responsibility in paying the nation's debts, even though the country has just suffered the effects of a tremendous storm, as everyone knows. The foreign debt currently amounts to \$2.5 billion, the Central Bank president added, but the country needs even more credit to emerge from its present crisis. [Excerpt] [PA180305 Panama City ACAN in Spanish 0335 GMT 16 Jun 82]

FLOOD RELIEF DONATIONS--Managua, 15 Jun (ACAN-EFE)--The National Disaster Committee has received over 27 million cordobas (\$2.7 million) in relief for the flood victims to date. A report submitted this afternoon by committee coordinator Reynaldo Tefel reveals that over 11.7 million cordobas (\$1.17 million) has been received in cash, while the remainder is in the form of a variety of material. The largest cash donation was made by the FAO, amounting to \$800,000. [Excerpt] [PA180255 Panama City ACAN in Spanish 0233 GMT 16 Jun 82]

CSO: 3010/1718



## CRITICISM OF PRESIDENT ROYO'S UN SPEECH

PA160402 Panama City LA PRENSA in Spanish 15 Jun 82 p 10A

["Without Rhyme or Reason" column by Mario J. De Obaldia]

[Excerpt] I must admit that I was thoroughly mistaken when I suggested to my friends that if they ever had to deliver a speech before an international forum, and they wanted to be assured of success, then, like President Royo, they should travel to Spain, specifically to the Asturias region. There they would be inspired by breathing its clean air and would be revived by the atmosphere which the Asturians have breathed for countless thousands of years without any visible results, except for those achieved by Don Pelayo [the first king of Asturias] in Covadonga. We can see that the Asturian inspiration definitely had little or no effect on Don Aristides [Royo]. His speech at the United Nations yesterday was merely a mixture of inconsistencies. Asked to speak about world disarmament, he merely skirted that topic. He very subtly concentrated on defending the communist regimes, using a most effective strategy, which Fidel Castro very likely suggested to him when he passed through Cuba: to discredit or try to discredit all countries that do not favor Soviet philosophical principle. This was what those of us who had the patience to listen to his entire speech were astonished to hear. I could not stand to hear it all. One does not have to eat the whole egg before finding out that it is rotten. When I began to hear the string of praises for Omar Torrijos and the series of violent attacks against the United Kingdom for its actions in the Malvinas, I decided it was better to concentrate on football, which is more pleasant and rewarding, than to continue to listen to what I have previously heard on so many occasions.

CSO: 3010/1721

MANFREDO ON CANAL LIAISON OFFICE FUNCTIONS

PA160521 Panama City Televisora Nacional in Spanish 2300 GMT 15 Jun 82

[Interview with Fernando Manfredo, acting Canal Commission administrator on the status of the Panama Canal Commission Liaison Office, by Jose Montano; date and place not given--recorded]

[Text] [Manfredo] The treaty mentions the transfer of custody. Custody [of prisoners] will be requested and assumed by U.S. Government authorities. This is not one of the powers conferred on the Panama Canal Commission. Therefore, this function properly belongs to another organization--in this case, the Coordinating Commission. We have recognized the validity of this. Therefore, henceforth, no official of the so-called liaison office will make an effort to transfer custody.

[Question] Mr Manfredo, are we then faced with a situation in which the Canal Commission continues to maintain what is practically a security system based on the former canal zone police force?

[Answer] I do not (?understand) the question, because while it is true that the office is staffed by former canal zone policemen; and the truth is that we placed them there because, since they are more familiar with all the proceedings related to police matters, they were the most qualified to give guidance and aid to the community. Under no circumstances will Mr McAuliffe or I permit these people to carry out any activities that are related to police, intelligence or investigatory efforts. Those functions have ended forever in this area. Panama's police are in charge and Panamanian authorities make the decisions here.

I will repeat that the sole function of those individuals has been to try to give guidance to the community. Any person whom we find who is involved in intelligence or police work, or who is interfering with Panamanian authorities will be dismissed.

CSO: 3010/1721

## CP'S ARISMENDI SPEAKS TO ITALIAN NEWSMEN

PM151339 Rome L'UNITA in Italian 10 Jun 82 p 19

[Report by Guido Vicario: "Meeting With Arismendi: First Portions of Freedom in Uruguay"]

[Text] Rome--Rodney Arismendi has been visiting Rome over the past few days. At a meeting with journalists the secretary general of the Communist Party of Uruguay judged the political impact of the Falklands conflict positive for the anti-imperialist struggle. There are some more obvious consequences of this war: The United States, with Argentina's assistance, was planning an invasion of Central America (El Salvador, Nicaragua) but the operation was abandoned following the landing on the islands; there is an evident crisis in relations between the United States and the Latin American states as a whole, which now have another reason for mistrusting Washington. As for the Argentine domestic situation, Arismendi continued, it is unlikely, even if the land forces are defeated, that the military junta will be able to prevent the formation of a national unity-type government, that is, one more or less open to the parties [sentence as published]. It is to be expected that the United States will exert the heaviest pressure to obtain another military junta, entirely in line with its own policy.

In general the Uruguayan communists' analysis stresses the consistency of the Falklands events with the processes underway in Latin America. We are witnessing in the region an economic growth and a development of the national political and social forces, and this conflicts with Reagan's policy and with U.S. imperialist interests. The nationalistic thrust includes both democratic and nondemocratic components, but the combination of factors at work indicates the possibility of the formation of a new situation that will conflict with the dictatorship that exists at present.

Arismendi discussed what is happening in Brazil. From a coup carried out with U.S. approval there has been a transition to a situation characterized by the birth of a new combative working class, the demand for democratization stemming from major sectors of the bourgeoisie, the influence of nationalism within the armed forces and a more independent foreign policy closer to that of the nonaligned countries and in important aspects opposed to that of the United States. Moreover, Brazil no longer provides the support it once did to the Uruguayan dictatorship.

The present framework is therefore favorable for the struggle for the return of democracy to Uruguay. In 8 years the dictatorship has attempted a fascist restructuring of the country, imprisoned 80,000 people and used torture, but has failed to destroy the Communist Party or the broad front (which includes the left and the Christian Democratic Party) or to quell the people's democratic resistance. The fact that 2 years ago the intended referendum to legitimize the regime was rejected by the large majority of voters proves this perfectly.

The struggles within the country and international solidarity have isolated the regime, which is showing signs of crumbling. The dictatorship's plan is to grant as little as possible over as long as possible. Already, however, it has had to permit some expressions of press freedom and relative freedom of activity to the two principal parties (the Blanco and Colorado parties). It would be wrong to claim that everything is as before, Arismendi said. The scenario is changing: Elections are expected in late November for the leadership bodies of the two major parties (in which groups and currents some of which are very different from one another coexist). All citizens will be able to vote in these elections. If the people's involvement is on a large scale and if the voting favors candidates with clear democratic stances, we might see another defeat for the dictatorship, as conditions are created for achieving a real democratic opening.

Democratic convergence (which includes not only the broad front but also sectors and individuals of the Blanco and Colorado parties) demands freedom for the 1,200 political prisoners subjected or exposed to the terrible practices of torture, political and trade union rights and the start of a pluralist and democratic system.

As in past years, a major role can be played by initiatives and by the movement of solidarity throughout the world. We still receive support, Arismendi said, not only from people's organizations, but also from authorities, governments and parliaments. International solidarity is important partly because it contributes to the development of the struggle in Uruguay. We call for an extra effort, Arismendi said, to achieve an amnesty and an end to torture and to guarantee life and secure the freedom of the political prisoners.

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